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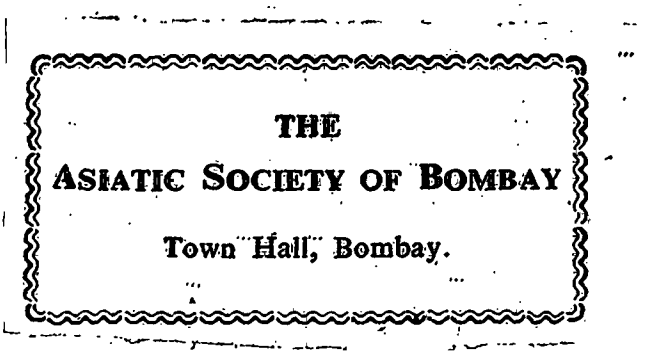

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FREE TRADE;

OR

AN INQUIRY

INTO

THE EXPEDIENCY OF THE PRESENT CORN LAWS;

THE RELATIONS OF OUR FOREIGN AND COLONIAL TRADE;

THE ADVANTAGES OF OUR NAVIGATION SYSTEM;

THE PROPRIETY OF PREVENTING COMBINATIONS AMONG WORKMEN;

AND THE CIRCUMSTANCES WHICH OCCASION A DERANGEMENT OF THE CURRENCY.

COMPRISING

A GENERAL INVESTIGATION OF THE ALTERATIONS LATELY ADOPTED, AND STILL FURTHER MEDITATED, IN THE

COMMERCIAL POLICY OF THE COUNTRY.

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BY ALEXANDER M'DONNELL, ESQ.

LONDON:

JOHN MURRAY, ALBEMARLE-STREET.

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PREFACE.

THE principles of Free Trade form, among almost all classes of the community in the present day, the leading topic of discussion. The variety of interests involved in the extinction of protecting duties, causes the subject to come home to the nearest affairs of life, and creates an earnest desire to investigate the grounds on which it is required of us to deviate from a system long and beneficially established. The unlooked-for scenes of distress which have lately afflicted the country have greatly strengthened this excitement; and any attempt to analyse the relations of commerce, both as regards the past and the future, is likely to prove not unwelcome to the public.

The last session of parliament was distinguished, beyond precedent, for important innovations,—founded, it is true, upon doctrines previously advanced by our most eminent statesmen, but still thought to be only practicable at the end of such

a lapse of time as would have protracted their adoption to a much remoter period. The protecting duties on our principal manufactures have been greatly reduced, and in some instances entirely abolished; the Colonial Intercourse Acts of 3 and 4 Geo. IV. have been extended, placing the European powers on the same footing as the United States of America; and, in a word, the exclusive right of trading to our foreign possessions, which formed the basis of our navigation system, has been virtually abandoned.

This alteration in our commercial policy is of a character the most sweeping and extensive: it must exercise a powerful influence, to the utmost boundaries of the civilised world. We have fairly reversed the nature of our political relations; for if we formerly incurred the reproach of surrounding states for the closeness of our commercial monopoly, we now surpass in freedom of intercourse those nations, which possessed the power of embracing an enlightened policy in their outset, unshackled by national prejudices, and unimpeded by the tedious and difficult process of retracing steps, and counteracting long-established measures, with which such prejudices had become absolutely identified.

Among the many reflections to which these momentous changes have given rise, not the least important is that excited by contemplating the tone of public opinion. When these new views in legislation were developed, their liberality was almost uniformly acknowledged and applauded; occasionally, perhaps, may have been heard the murmur of some interested manufacturer, reprobating as public impolicy the measure which touched his private advantage; but his ineffectual opposition has either speedily given way, or been stifled in the general acclamation.

The legislature has literally pursued the will of the people; and a period of our history could scarcely be adduced in which public measures have been marked with approbation and confidence so unequivocal as, at the time of their enactment, attended these innovations.

It is due to the legislature to make this acknowledgment; but it is not without diffidence that I avow myself inclined to view this feeling in a light somewhat differing from the popular impression. The history of many public measures has taught me to estimate but lightly the fickle, not to say superficial, commendation lavished too often by the

public press; and though I ardently uphold the salutary maxim, that no statesman can ever be truly great who does not earnestly covet popularity, yet, as an illustrious character observed, it must be that popularity which follows, not that which is sought; that popularity which can keep, in some degree, aloof from the vulgar, passing opinion, and rather stretches the ambition onward to the plaudits of posterity.

A presentiment crosses my mind that, at some future day, these views may gain corroboration out of the fashionable doctrine of Reciprocity. The love of every thing dignified with the name of liberality has, I am persuaded, induced many persons to support a system, the various and complicated details of which they do not fully appreciate. At the same time, I am not unconscious of the weighty authorities who have given the impulse to this disposition. Since the light first dawned on Sir Dudley North's Treatise, down to the present time, the exclusive system has been more and more openly denounced; and it is the general boast, that the efforts of those who advocated its preservation have passed to merited oblivion. I am sorry to acknowledge the little

encouragement thus presented for a revival of the exploded doctrine. Still, the opinions of eminent men should never totally preclude further examination; they may make us more careful, and teach us to scrutinize more rigidly our grounds of dissent; but if, after every inquiry, we are unable to embrace their conclusions, the cause of truth demands that we should fairly and fearlessly state our grounds of opposition. It is this, and not a presumptuous feeling on my part, which has led me to attempt the investigation of all those great branches of commercial policy which form the present subject of national inquiry. They are combined in one general system, which, properly speaking, constitutes a comprehensive analysis on Political Economy; and, desirous of making the work as practically useful as possible, I have adopted an arrangement which, I hope, may tend to facilitate, not only the particular study of each head set forth in the title to the volume, but to show its dependence upon the general system, which, when not fully comprehended, causes an incessant liability to error.

In the First Part I have endeavoured to lay down elementary principles; in the Second, the

restrictive, is compared with a free commercial, system; and in the Third, I have ventured to offer some suggestions on what I conceive to be the proper line of policy to be pursued by the country.

The great changes which have taken place in many departments of industry within the last few months have perhaps rendered some statements in the first part of the work, which were procured in November last, inapplicable to existing circumstances. They will, however, be easily appreciated; and it may be almost unnecessary to remark, that in all general reasoning, that state of things which may be assumed as forming the predominant characteristic of England is implied.

In regard to the effects of Taxation, I think it probable that those engaged in commercial pursuits will be of opinion, that I have underrated its pressure; but it will be easy to perceive that such an idea will strengthen, and not invalidate my arguments.

The Currency question has been decided since the following sheets went to press, in a manner both different from my expectations and my views; but after bestowing the utmost attention of which I am capable, upon the arguments recently alleged,

I do not feel able to recall what I had previously written.

It occurs to me that the retired and abstract student may conceive that I may, in one or two instances, have expressed myself less ceremoniously of those whose sentiments I was opposing, than may be exactly becoming towards writers of established reputation. Should this really be the case, I have to plead the ardour of argument as a claim on their indulgence.

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FREE TRADE.

PART I.

OF THE PRINCIPLES WHICH CHIEFLY DETERMINE THE COST OF PRODUCTION.

SECTION I.

INTRODUCTORY OBSERVATIONS.

IT may tend to prevent misunderstanding, and more clearly to explain the nature of the present undertaking, to trace a brief outline of the views generally advanced in favour of an absolute removal of restrictions upon trade. Among so many writers of eminence who have sanctioned this new system with their support, it is reasonable to suppose that much truth must have been elicited, and numerous important positions in political economy established. In a subject, however, of great intricacy, the chief danger to be apprehended lies in our proneness to give a too ready assent to propositions not sufficiently understood, when those propositions are connected with others which carry conviction in themselves, and add to our stock of knowledge. If

there be one branch of science more than another in which the unqualified admission of general principles is censurable and dangerous, it is that of political economy. Every day presents us with facts demonstrating the necessity of modifying principles which we had been accustomed to regard as universal in their application. It is this love of generalizing which has been the prolific source of so many theories, and such multiplied error. It seems necessary therefore to caution the reader at the outset against confounding certain corollaries in the doctrine of free trade, which, taken in themselves, are fully approved of by the advocates for restriction, with those sweeping deductions which it is attempted to apply indiscriminately to all cases, but which in many instances can be proved fallacious.

The grand argument of the advocates for an unqualified reciprocity of commerce, it is well known is founded upon the basis, that each country possesses certain natural advantages peculiar to itself; and that to cultivate those respectively would conduce more to the augmentation of its wealth, than to attempt to foster other branches of industry which can be more advantageously pursued elsewhere. If, for example, England, from the excellence of her machinery, and her abundance of fuel, possesses greater facilities for the manufacture of woollens and cottons than France; and if, on the other hand, France surpasses England in her resources for the fabric of

silks, brocades and embroidery; it is deemed much more beneficial for the former to exchange her woollens and cottons for the silk and embroidery of the latter, than to manufacture them herself. This reasoning, which was first illustrated at great length by Adam Smith, tends to show that no government should ever interfere to restrain or to extend one branch of industry more than another. The foresight and acuteness of private individuals will always direct them to invest their capital in that line of business, which holds out the greatest probability of success. It is admitted, undoubtedly, that the ground for establishing a perfect freedom of commerce, assumes a certain equality as to the elements of trade to exist between those countries which adopt this system. But as high praise is always bestowed on British enterprise; on the excellence of our harbours, our canals, and our roads; and on the great length by which generally we have distanced other countries, it is thought visionary to dread that we can ever suffer from competition. The case, as hitherto stated, applies solely to manufactures; but the same reasoning is held to be equally applicable to the produce of the soil. Agriculture is a species of manufacture; and it is argued that it would be much more wise to exchange our muslins and our hardware for cheap corn, than to persist in cultivating inferior lands.

It is important to observe, that Adam Smith, and many other eminent writers who have followed

him, decidedly maintain, that could all classes of the community appreciate their true interests, the objections to the removal of every undue or partial restriction upon trade would greatly diminish. The interests of the labourer and of the landlord were closely identified; and as any visitation of distress upon the former must inevitably reach the latter, it could not be imagined that either would be so insensible to his own advantage as to obstruct the general prosperity of the country.

Of late years, however, several writers have appeared, who draw much more deplorable consequences from the abandonment of what they deem the true system, than had been previously imagined. This sect, which, for the sake of brevity, may be termed the modern school, endeavours to show, that the interests of the proprietors of the soil are in direct opposition to those of the rest of the community, as rent is determined by the expense of bringing the worst land into cultivation. In other parts of their theory it is maintained, that the cost of production alone determines the value of an article; that the variations occasionally existing between supply and demand are but accidental, and will in time adjust themselves; and that high wages must necessarily lead to a diminution of the profits of stock. The last proposition forms, beyond all comparison, the most important part of the theory, because it is urged that the restrictive system leads to high wages, and the consequence must inevitably be

the banishment of capital from the country to seek more profitable investment abroad. The labours of this school have tended still further to increase the odium against the extension to the landed proprietors of what is called undue protection from the state. All predilection in favour of agriculture is severely censured, as obstructing the proper channel through which capital should be distributed. There is obviously a marked difference between this doctrine and the sentiments of Adam Smith. Though the latter writer was a strenuous enemy to monopoly, he evinced a decided preference for agricultural industry. In the fifth chapter of his second book he has the following observation: "No equal quantity of productive labour or capital employed in manufactures can ever occasion so great a reproduction as if it were employed in agriculture. In manufactures nature does nothing, man does all, and the reproduction must always be in proportion to the strength of the agents that occasion it."

I have considered it proper to specify the leading grounds of difference between the two systems, as they will be subjected to some examination in the course of this work. It is at once, however, freely conceded, that both theories lead, in the main, to the removal of all restrictions on commerce. Any defence, according to them, must be made on special grounds, and the nation which has adopted an opposite conduct ought gradually to return to a wiser and more liberal policy.

It has already been stated, that in the leading elements of trade, Great Britain enjoys pre-eminent advantages. An unbounded freedom of commerce should therefore tend still further to exalt her among surrounding nations, and enhance her prosperity, whatever competition she may encounter. Agreeably to the modern school, the exchangeable value of commodities is determined solely by the labour employed to produce them: the great evil, therefore, which fetters our industry, and contracts our foreign trade, is high wages; and this evil can only be produced by two causes—the dear rate of living, and heavy taxation. As to the first of these causes, it cannot, it is said, be possibly taken into account, for it is part of the system to abolish the corn laws, so that the expense of living in England will approximate to that of other countries. With respect to high taxation, many statements have lately been published to prove, that its effects are grossly exaggerated. It can only affect wages when it trenches upon the necessaries of life; and notwithstanding the enormous national debt, a contrast with the details of the revenue of rival states will evince that the superior wealth of England imposes a lighter burden on the lower orders than is universally suspected. "Throw open then your ports to all the world," exclaim the liberalists, "and unexampled prosperity shall follow—the only difficulty to be encountered arises from the taxes, but the increase of wealth which will flow in upon you,

will enable you to reduce this obstacle in an accelerated ratio. But even suppose taxation considerably to enhance the rate of wages, still it furnishes no apology for the restrictive system. All branches of industry must be equally affected; and to give to either the agricultural or the manufacturing interests exclusive advantages merely aggravates the grievance."

I have dwelt thus on the arguments of the new school, lest I should come under the charge of partial representation. It must immediately be perceived, that an analysis of all that relates to wages forms the chief topic for inquiry, since on the cost of production mainly depends the extent of foreign trade.

Though many highly eminent economists, Adam Smith, Dr. Buchanan, M. Say, and also Mr. Malthus, differ with regard to the theory of profits as laid down by Mr. Ricardo and Mr. M'Culloch, the founders of the new school, still they are unanimous in depicting the injury inflicted on the commerce of the country when the wages of our artisans are higher than those of foreigners. Common observation leads us to conclude, that it is impossible to compete with rivals who greatly excel us in so essential an advantage as cheapness of labour. It is not then, in reality, necessary to dwell further on the distinguishing tenets of those writers, who, at the present moment, occupy the public attention on this important subject. High wages are on all sides

denounced as an evil, and the advocates for free trade uniformly take it for granted, that they spring from dearness of food and heavy taxation. It is on this account that so loud a clamour now disturbs the country against the corn laws. They are viewed as a huge incubus that weighs down the energies of the manufacturers, and so oppresses those of the rest of the mercantile system, as to require counter-restrictions to place all classes of the community upon an equal footing. That wages are extremely high in England, it is by no means intended to dispute; but the conclusions drawn from the fact by modern writers appear to me, at the same time, to be superficial, precipitate, and essentially erroneous. It is here, I conceive, that one of the primary and leading errors of the liberalists commences. Perceiving that a working man in this country obtains wages which nearly double the amount of those earned upon the continent, it is instantly pronounced that the difference can only originate in dear corn, or heavy taxes. Now it shall, in the first place, be my great object to prove, that these are not always the sole causes; but that other circumstances operate, which may tend to a permanently high rate of wages, even in a country where taxation is low, and the produce of the soil comparatively cheap. It is moreover to be observed, that these circumstances to which I have alluded, are of a nature diametrically opposite to those of dear food and high taxes; for while it is certainly

desirable to diminish the pressure of these last, the former, on the contrary, should be zealously encouraged. If this point can be established, its effects, remote as well as immediate, must be of vital importance; they will not only show that high wages, instead of being injurious, may be eminently beneficial; but the deductions consequent on this position, to which it will lead in the course of this work, will effectually disprove many of the favourite dogmas of the Ricardo theory.

Section II.

CAUSES OF HIGH WAGES IN ENGLAND.

No remark is more common, than that the habits of countries differ. Now, true as this is, it is not a little singular that a circumstance, pregnant with such weighty results, should be no further noticed in treatises professedly investigating the distribution of wealth, than as a mere cursory admission. In my estimation it constitutes the very essence of political science; and, as the labouring classes far outnumber the other orders of society, so, in a proportionate degree, should their habits engage the chief research and contemplation of the statesman. No person of any observation, who has travelled on the continent, can have failed to remark the inferior condition of the foreign artisan compared with that of the British, as regards the quality of his food, his clothing, and the furniture and other comforts of his dwelling. In many of the foreign districts, and those most distinguished for their industry, a variety of articles held indispensable to the comfort of an English workman, are scarcely known. Perhaps I shall best illustrate this point by giving a statement of the component parts of the average expenditure of a London and a Parisian

mechanic, as they have been furnished to me by persons thoroughly experienced in this species of detail. It will be perceived that the scale is above the rate of ordinary labour: the chief object, however, is to point out the difference in habits; and the relative rank of the two families has been taken as nearly as possible from the same level. In provincial towns the disparity exists to a still greater extent; in many parts of France the food of the lower orders is literally three-fourths bread and vegetables; indeed it is here that the superiority of England is mainly apparent.

Annual Expenditure of a London Mechanic, with wife and four children, supposed to earn 30s. *a week, or* 78l. *a year.*

	l.	*s.*
Bread and vegetables	21	0
Meat, butter, cheese	13	0
Milk, beer, spirits	6	10
Tea and sugar	5	10
Soap, candles, coals	5	0
Clothing	11	0
Rent, furniture	10	0
Medicine, contingencies	6	0
	78	0

Annual Expenditure of a Parisian Mechanic, with wife and four children, supposed to earn 21 *francs a week, or* 45l. 10s., *English money, a year.*

	l.	*s.*
Bread, fruit, and vegetables	19	0
Meat, liquor, & articles of home growth	11	0
Imported articles	3	0
Fuel, candles, &c.	3	0
Clothing	4	0
Rent	2	10
Contingencies, amusements	3	0
	45	10

The individual in Paris from whom these details are obtained, states, that a much greater diversity of wages prevails in Paris than in London. In the former the women also work more, which cannot fail to exercise an influence on the expenditure of a family.

This table presents many fruitful subjects for inquiry. Notwithstanding the cheapness of food in France, it appears that the excess of wages in England is absorbed by the *superiority* of the fare, and the enjoyment of greater comforts. It would therefore be exceedingly fallacious to suppose, that if the taxes of the two countries were equalized, and the price of corn adjusted to a corresponding level, the expenditure of the two mechanics would assimilate. That of the Englishman, from his habits, long established and confirmed, would necessarily range much higher, even supposing the demand for labour to continue relatively the same.

By throwing the table into another form, and showing the proportion which the various parts of the expenditure bear to the whole, this conclusion will be rendered still more manifest.

English Mechanic.	Parts of 100.	French Mechanic.	Parts of 100.
Bread and vegetables	27	Bread, fruit, vegetables	42
Meat, butter, and cheese	17	Meat, liquor, home articles	24
Beer and spirits	8	Imported articles	6½
Tea and sugar	7	Fuel, candles	6½
Soap, candles, coals	6½	Clothing	9½
Clothing	14	Rent	5
Rent, furniture	13	Contingencies	6½
Contingencies	7½		100
	100		

To furnish some idea of the expenditure of ordinary labourers, I subjoin the following statements: the English one obtained from a labouring family

in Hampshire, the French from a traveller who recently visited the province of Normandy.

English Family of six Persons.

	Weekly.	Yearly.
Bread	3*s.* 0*d.*	£7 16 0
Bacon	1 6	3 18 0
Beer	1 2	3 0 8
Butter 1*s.* Cheese 9*d.*	1 9	4 11 0
Soap 7*d.* Candles 3*d.*	0 10	2 3 4
Tea and Sugar	2 0	5 4 0
Milk	0 1	0 4 4
Fuel	0 5	1 1 8
	10 9	27 19 0
Clothing		4 18 0
Medicine		0 6 0
		£33 3 0

In this table there is nothing charged for Rent, the cottage being provided by the farmer by whom the man is employed; and the family grow all their vegetables, as well as bake and brew at home.

	Yearly
The wages of the labourer himself are here taken at 9*s.* a week	£23 8
His wife may be said on the average to earn 1*s.* 9*d.* a week throughout the year; in harvest she will earn as much as 4*s.*, but in the winter considerably less: she then gets occasional employment at needle-work, in which she is assisted by the girls when old enough	4 11
The other children go out leasing, keeping birds, tending pigs and other stock; the earnings of all the four may be averaged at 2*s.* throughout the year	5 4
	£33 3

I am aware that many statements have been published, rating the wages of the English labourer as low as 7*s.* a week; but from every information I can gain, this is only partially the case, and in districts which are exclusively agricultural, having no vent for their superfluous hands by the vicinity of manufacturing employments.

We now come to the expenditure of a labouring

French Family of five Persons.

	Francs weekly. *f.* *s.*	English money yearly. £ s. d.
Bread 4½ lbs. per day	2 12	£5 12 8
Beans, vegetable soup	1 15	3 15 10
Eggs, Butter	0 15	1 12 6
Salad	0 10	1 1 8
Wine, water	1 5	2 14 2
Fuel	0 15	1 12 6
		16 9 4
Soap and candles (not given, but supposed at)		0 7 0
Clothing (do.)		1 18 0
Rent (do.)		1 2 0
		£19 16 4
The general rate of labourers' wages in France may be pretty accurately stated at 7 *fr.* (5*s.* 10*d.*) a week		£15 3. 4
But the women work considerably more in agricultural concerns in France than they do in England. The deficiency of the man's income is therefore fully made up to the expenditure we have exhibited, by the earnings of the wife		4 13 0
		£19 16 4

The article of clothing is very cheap in France.

A good strong jacket for a farmer's workman, made of coarse woollen, sells for about 7*s.*; but their general wearing apparel consists of cast-off, or second-hand clothes, a great quantity of which the French, as well as the rest of the continent, import from England.

I now proceed, after thus exhibiting the mode of expenditure in the two cases, to contrast the earnings of common handicrafts in Manchester, with those of Lyons, the two principal manufacturing towns of the respective countries.

In England.	*s.*	*d.*	In France.	English money *s.*	*d.*
Cotton weaver	12	0	Ouvrier en coton	6	0
Do. $\frac{6}{4}$ cambrics, fancy goods, &c.	15	0	„ Indienne	7	0
Woollen weaver (Leeds)	13	6	„ laine	8	0
Silk weaver	16	0	„ soie	16	0
Dyer and dresser	17	0	Teindrier	21	0
Hatter	27	0	Chapelier	20	0
Tailor	18	6	Tailleur	8	6
Shoemaker	16	0	Cordonnier	8	0
Iron-founder	31	6	Fondeur de fer	16	0
Sawyer	30	0	Scieur de long	10	0
Carpenter	25	0	Charpentier	15	6
Mason	22	0	Maçon de pierre	12	0
Bricklayer	22	6	Maçon	12	0
Painter	21	0	Peintre	8	0
Slater	22	0	Ardoisier	15	6
Cutler (Sheffield)	15	6	Coutelier	14	6

The first circumstance which strikes the attention

on examining the preceding scale, is the great diversity in the rate of wages existing in France. In some employments there is a difference of more than one-half from others requiring the same degree of skill, and the same time to acquire. This proceeds from the jealousy with which each trade in France protects itself from the intrusion of others. Our own apprenticeship system has greatly relaxed. An English workman may now change his employment without the risk of personal injury, and the certainty of insult and hindrance which he formerly met with on attempting to embrace a new one. To this is to be attributed the almost universal equality of labour at present prevailing throughout the country. Not so in France. It is, there, next to impossible for a man to gain admission to an employment to which he has not been regularly bred. The confederation of the workmen would be carried to open violence, and could only be appeased by the expulsion of the intruder. When, therefore, a stagnation occurs in any particular trade, the workmen are much distressed; and, on the other hand, when activity prevails, the rate of wages becomes high.

In that particular business which now occupies so much of the public attention, the silk manufacture, this result is strikingly exhibited.

From the very great demand in France, the rate of wages is precisely equal to that in England. The manufacturers at Lyons are extending this

branch of business with great alacrity, and repeated accounts from thence have stated, that sufficient hands cannot be procured to meet the demand. The ordinary rate of wages may safely be assumed to be several shillings lower than at present; at least, it was certainly, some years back, as low as 10*s.* or 11*s.*

The only trade of which the wages are higher in France, is the teindrier, or dyer, which exceeds the English by 4*s.* This may perhaps be accounted for by supposing in that employment a superior class of persons in France, exercising greater skill, for it is in this department that their rivalry is most successful.

On the whole, the excess of wages in England is rather greater than that displayed in the other example of the London and Parisian mechanics; but as it is better rather to fall short of, than to overstep the medium, the items of expenditure there detailed may be presumed to exhibit a fair average.

The comparison has been drawn with France, because that country is generally considered as our most formidable rival, and as, next to ourselves, the furthest advanced in civilization. But in other parts of the continent, if we investigate the mode of living of the lower orders, the contrast with this country will be still more apparent. In Silesia, and the northern part of Germany, where extensive manufactures are established, the consumption of articles apart from food does not amount to the one-fourth

of that indulged by an English artisan. In the Netherlands we witness a nearer approach to the habits of this country; but still, in the appearance of a mechanic and his family there, it must be allowed that there is not that anxious solicitude to make some display in attire which forms the characteristic pride of our working classes.

In inquiries of this kind, it is obvious that we should direct the attention chiefly to those districts where commodities are wrought up for foreign commerce. A too exclusive consideration is in general devoted to the agricultural labourer, where, I acknowledge, our superiority may not be so strikingly apparent. But as regards all those whose earnings affect the manufacturer, I feel confident, that the more extensively inquiries are instituted, the further will the argument receive corroboration.

Assuming, then, for data the first of the Tables given, the primary object is to endeavour to ascertain, how much of the higher wages in England is to be attributed to taxation, what proportion to dear corn, and what quantity is to be assigned to what we denominate superior habits.

In this inquiry, it is evident that much must depend upon supposition. The first and second causes are ramified through a number of combined circumstances, reacting upon each other, and thus indirectly enhancing the value of labour. With regard to direct taxation, the amount levied is easily ascertained. In tea, sugar, beer, spirits, and soap

the amount paid by the Englishman is very considerable; but on referring to the Table, it appears that these articles form but a comparatively small portion of the total expenditure. In France the consumption of these articles is trifling, and care is required to separate what belongs to taxes from what should be ranged under superior habits. Indirect taxation presents greater difficulties. Much stress is in general laid upon the large amount of our tithes, poor-rates, and other imposts, which augment the expense of living, and pervade with pernicious influence every department of industry.

That these are serious evils is freely conceded; but it should be remembered that we have not to consider absolute but relative expense. The question is not, whether our land-tax, tithes, poor-rates, and other more general taxes, are large in themselves, but whether they greatly exceed those of that country with which I have instituted the comparison. In this particular, much error prevails. When we examine the large amount of the *foncier* of France, which is a charge both upon the landlord's rent and the farmer's profit, we find that it goes a great way to balance those imposts in this country which more peculiarly affect the landed interests. In addition there is the *enregistrement*, which may be placed opposite the stamps required for our leases and transfers of property; and also the *mobilier*, which is in some degree a set-off against the assessed taxes. On the whole, then,

the high taxation of England, operating as well indirectly as directly, does not very materially enhance the price of labour. I am of opinion that, taking the excess of amount paid to the English mechanic, it does not form more than the one-eighth part: a proportion considerably below what seems to be the popular impression.

In estimating the part attributable to dearness of corn, it is necessary to observe, that high taxation contributes to raise its value; and the influence of this indirect operation should be carefully taken into account in any attempt analytically to resolve the expenditure of wages into its primary elements. The excess of taxation in England, so far as labour is concerned, I have conceived to be not more than one-eighth. Now as this appears a trifling consideration, it might create much delusion among enquirers on the subject. Of late years, the great reduction of the public burthens has induced many writers to argue that we no longer labour under those disadvantages, at one time deemed an insuperable obstacle to further prosperity; and as the representatives of the landed interest have hitherto maintained that the high price of corn proceeded from high taxes, their argument is in the present day rendered nugatory, or at least is materially weakened.

Having concurred in the position, that wages are not much affected by our heavy taxes, it may be desirable to point out how far the admission affects the argument of the agriculturists. Sup-

posing one-eighth part of the difference in wages in France and in England to be caused by taxation, it is evident that this eighth part is the proportion to the *whole* wages of the labourers. But the agriculturist has only concern with that portion which belongs to food of home production. This, agreeably to the Table laid down, is not one-half of the total expenditure, and consequently, so far as taxation operates, the individual interests of the agriculturists are affected in a much greater ratio than appears the case, if the entire amount of wages be alone considered.

As this point will be examined hereafter, our more immediate object is, for the sake of perspicuity, to endeavour to ascertain how far the high price of corn enhances wages in England. We find that in the first item of the expenditure of the French and English mechanics, there is a very trifling difference in regard to the money amount. This part of the expenditure is applied principally to the purchase of bread and vegetables; and were the position correct, that dear food alone causes dear wages, the contrast between the two should be most striking. The next item is, meat, butter, liquor, and other articles of home growth, partaking rather of the character of extras. There is here a considerable disparity; but I apprehend it will be generally granted, that the larger amount on the English side proceeds not from dearness, but because relatively a larger proportion of these articles is consumed. Viewing the matter in

this light, we should be disposed to believe, that so far as observation goes, dear corn by no means exercises that overwhelming influence so generally imagined. As has been already observed, however, viewing only the direct effect, leads to imperfect conclusions. The remote operation is not confined merely to articles of sustenance. Whatever raises the value of labour, affects every department of industry; and it is always contended, that a labourer does not consume an article, that is not greatly enhanced in price from dear food having first augmented the outlay for its production. The woollens purchased for clothing, and the tables and chairs used in his habitation, thus enter the account, and exhibit the evils arising from a dear rate of living in an aggravated ratio. It must, however, be evident, that the extent to which these woollens, tables, and chairs, are raised in price, in one country above that in another, through the operation of dear food, depends upon the proportion of wages really expended in food. If the difference between the two countries in this respect be great; if a man in England spends in bread and vegetables as 30, and in France only as 20, then the remote operation of this circumstance upon other articles equally used by him will be great, and it may be very true to say, that dearness of corn is the principal cause why wages are higher in England than in France. But if the Table produced at all approach to correctness, the difference of expenditure in what

appertains to the necessaries of life is comparatively small. In a corresponding degree, a small influence is exercised upon the cost of other articles, and dear bread by no means produces those effects on wages so generally suspected. I conceive it is here that much of the prevailing error on this subject originates. Persons, neglecting details, allow their imagination the fullest latitude in regard to the many evils assumed to flow from the dearness of the primary necessaries of life in England. I have endeavoured to expose this error. It is not requisite to define exactly the proportion of that difference between the wages of England and of France, which is to be attributed to dear food; but if the Table be correct, it would not exceed one-fourth. This, added to the eighth allowed under the head of taxation, leaves five-eighths assignable to difference of habits.

The foregoing views will receive considerable corroboration, if we direct our attention to the general consumption of articles more immediately used by the great mass of the people. I freely acknowledge the difficulty of arriving at accurate conclusions by merely investigating the details of an individual's expenditure. No matter what case we take, much must rest on supposition. But when we take the entire quantity of commodities apart from the mere necessaries of life, supposed to be consumed by the labouring classes, and find on

comparing one country with another, that the relative proportion of the whole commodities corresponds with the relative proportion as given in detail, it is a proof that the detail is sufficiently accurate for practical purposes. In commencing, then, with what belongs to the mode of living, the first articles which strike our observation, as proving the limited consumption of France, contrasted with that of this country, are tea and sugar. These must rather be deemed as luxuries than as necessaries, so far as the labourer is concerned; and on estimating their large amount in England, compared with the gross amount of our population, no person can doubt that the working orders participate in their use to a considerable extent. The consumption of sugar in England is more than four times that of France; and in tea the excess is much greater. In articles of clothing, the chief authorities to be referred to, as giving information of the direct consumption of France, are MM. Costaz and Chaptal, each of whom published a work on French industry, a few years back. In the section devoted to manufactures, M. Chaptal gives the total amount of the woollen manufactures at 238,133,932 francs, or 9,525,357*l.*—the cottons at 191,600,000 francs, or 7,664,000*l.*: from which amounts are to be deducted those of the exports. In England, Mr. Huskisson, in his speech of 26th of March, 1825, stated the home consumption of cotton goods to amount to

32,000,000*l.*: of woollens, as appears from a recent statement, it was 21,000,000*l.*, of which 6,000,000*l.* went to defray the cost of the raw material.

An attentive observer has only to direct his attention to the general appearance of our population, and he must be sensible that the largest proportion of this is also consumed by theworking classes. But it is perhaps in the more trifling articles of display that we witness the chief difference in customs. Independently of the bonnet, the shoes and stockings, in which the wife of the English labourer is clad, but which seem almost unknown to that class in France, he who has ever visited the cottages of the poor, cannot fail to have been struck with the bare appearance, the paucity of culinary implements especially, in that of the foreigner, compared with the adequate supply of every such comfort to be found in the dwellings of the same class at home.

It may then, I think, fairly be stated, that if wages are higher in England than in other countries, the circumstance is chiefly to be attributed to the superior habits of the people. The observation of the traveller, and the details of the statistical inquirer, alike confirm this inference. It is unnecessary to waste time in exposing the superficial declamation daily reiterated, that cheap bread would in itself assimilate the wages of our countrymen to those of foreigners. From what has been stated, the least reflection must show, that bread engrosses by no means the whole of the labourer's

expenditure, and that much comparative privation would be endured, were an Englishman to receive only the remuneration assigned to the French workman. This being a fundamental position, will naturally attract close investigation. I am aware that many persons delight to trace a melancholy picture of the sufferings and misery of an English mechanic—to contrast with it the freedom from care, the facility of living, the career of enjoyment realized by the foreigner—and to deduce an inference diametrically opposite from that just assumed. It is most important, therefore, to observe, that the reasoning hereafter pursued does not necessarily suppose a superiority in the condition of our labourers over those of other countries. I have stated that such is the fact, because I believe that it can be borne out by the most rigid examination of all the circumstances connected with the inquiry. But whether correct or otherwise, the conclusions to be drawn in either case remain unaltered. The question is not what we do possess, but what we ought to possess, to ascertain to what point it is desirable to arrive. This should never be lost sight of in considering the subject; it will simplify it, and save useless discussion. No difference of opinion exists among political writers as to the beneficial effects resulting from the comfortable condition of the populace at large. Upon this basis there is little risk in founding a superstructure.

Supposing it, however, generally admitted that

the working classes in England do really enjoy more comforts than those abroad, it may be argued that this is accidental, and its continuance cannot be ensured. The circumstance arises from the demand for labour; masters pay their workmen more liberally, and they are therefore enabled to compass more enjoyments.

It may be desirable to give here some illustration of the subject. The market-price, and the natural price, are the terms generally used to designate the different relations under which wages may be influenced. The former is described to be simply that rate which is actually paid, and which is plainly regulated by the proportion between the supply and the demand. When commerce flourishes, an abundant demand for labour ensues; employers of workmen are desirous of increasing their business, and the market-price of wages will then be high. On the other hand, when trade is stagnant, employment is difficult to be obtained: but labourers must live; they will therefore give their services for a reduced remuneration, and the market-price of wages accordingly declines. It seems that thus there is a medium, to which things will have a continual tendency. This medium is termed the natural rate; all deviations from it—and these will in time adjust themselves—are deemed accidental. It is true that as it takes a considerable period to rear a labourer, so wages may continue comparatively for

a long time, either above or below the natural rate; but to it they will still ultimately conform. In this case it must be of primary importance to define with accuracy the exact remuneration bestowed on the labourer, when wages are at the natural level. If a certain description of clothing, beyond what is necessary for mere covering, be deemed superfluity, its indulgence is proof that the more essential articles of subsistence are adequately supplied. Is, then, the remuneration given to the labourer above the natural level. In England it has reached a comparatively high state; and whether it has proceeded from high wages, or high wages have been produced from it, is an inquiry assuredly demanding close attention.

Section III.

PREVAILING ERRORS RESPECTING THE NATURAL RATE OF WAGES.

From the progress which political economy has made in this country, it might be imagined, that some unanimity would be found, in regard to the elementary parts of the science. Such, however, is not exactly the case in the matter before us, and the fact clearly evinces some imperfection and deficiency. It may be useful to give briefly the ideas of the most celebrated of our writers. Adam Smith, as is well known, supposes labour, when wages are at the natural level, the universal standard, the same in all ages, adjusted to that simple expence of living which strikes common observation. He observes, "equal quantities of labour, at all times and places, may be said to be of equal value to the labourers. In the ordinary state of health, strength, and spirits; in the ordinary degree of his skill and dexterity, he must always lay down the same portion of his ease, his liberty, and his happiness. The price which he pays must always be the same, whatever may be the quantity of goods which he receives in return for it. Of these indeed it may sometimes purchase a greater and sometimes a smaller quantity; but it is their value which varies, not that of the labour

which purchases them." This may be perfectly correct with regard to the quantity of work performed; but, if in one age or in one country a labourer goes barefooted, or with but miserable covering to his body, and in another with shoes and stockings and a good coat, it must be apparent that the remuneration will be of a very different nature, totally independent of the cost of the articles in which it is subsequently spent. M. Say supposes the natural rate of wages to be the cost of the mere necessaries of life, with the addition of such a sum, under the denomination of capital, as will suffice to bring up a family. Mr. Ricardo defines it to be that rate, where the mode of living of the labourers is such, that they will neither increase nor diminish. This supposes an extremely low scale, and may on the whole be pronounced to be peculiarly loose and unsatisfactory. The love for simplification in general terms has prompted him to adhere to this definition throughout; indeed any other would be found incompatible with many of his views, and productive of much embarrassment.

Mr. M'Culloch has, in his recent publication, devoted some space to this inquiry. After explaining the manner in which the market-rate is determined, he proceeds to examine those circumstances which, arising from difference of climate, lead to different physical wants in the inhabitants of distant countries, and observes, that, as in cold climates the labourer must be warmly clad, and

have his cottage well-built, and heated with a fire, he will necessarily require more wages than the inhabitant of a more genial latitude. The difference of customs is also adverted to; and it is shown that so long as this difference exists, the expense of bringing up a family must also vary, and therefore the same standard cannot be applied to all places. Mr. M'Culloch's observations are those plain and obvious ones, which have been a thousand times reiterated, and which, to lead to any useful result, must be pursued much farther. We all know that an Englishman lives on wheaten bread, an Irishman on potatoes, a Chinese or a Hindoo on rice, and that, wheaten-bread being dearer than rice or potatoes, the Englishman must have the higher wages. But is all this independent of demand? Does this difference in the mode of living indicate an inherent difference in the standard of the natural or necessary rate of wages? Mr. M'Culloch has in one or two places led us to suppose so, but the statement stands detached, and is either utterly unattended to or rejected in the body of his work. In every proposition professing to elucidate the distribution of industry and the relations of commerce, he adopts the Ricardo notion, of assuming a fixed, universal standard, applicable to all countries, and permanently uninfluenced by the population principle.

Mr. Malthus's ideas remain to be stated. He describes the natural remuneration of labour to be of

a varying nature; in newly-cultivated and rapidly-rising countries, it is much beyond the cost of mere subsistence; in countries moderately peopled, it preserves a medium; but in nations long civilized, it is associated with misery, and is depressed to the cost of the meanest species of sustenance.

I confess that to my mind none of these definitions are at all satisfactory. It appears to me presumptuous to attempt to mete out the exact reward which shall be bestowed on the lower orders; and to maintain that, while the higher classes are, through the progress of civilization, enabled to compass more enjoyments, the former shall be confined to an undeviating standard. I am rather disposed to maintain that there is no such thing as a natural standard of wages; but that, as the higher orders of society daily acquire fresh means of gratification, so should the humblest individual equally extend his artificial wants, and rise in the social scale. This view of the case supposes the English artisan to improve still further in his mode of living; and it thus differs fundamentally from the writers I have quoted. For the sake of brevity, I will here only advert to the two leading systems, the one supposing an invariable standard, the other a variable one. According to the former, our population is now rapidly increasing, and as that increase proceeds from the liberal reward bestowed on the labourer, the market-price of wages is above the

natural price—a fall, sooner or later, may consequently be expected.

The other goes to show, that in the present situation of England the market price may not be above the natural price; but that, as a redundant population is the inevitable doom awaiting all nations, each generation brings us nearer to that stage, when the natural rate of wages will be in a proportion under which the labourer must suffer great privations.

Though the latter is much more accurate and philosophical in pronouncing that the reward of labour is not exactly definable, or of the nature of a thing abstractedly undeviating, but that it varies according to the rising or falling state of the society, still this doctrine, and that of Mr. Ricardo, lead precisely to the same result. They both equally go to establish, that the superior comforts enjoyed by our mechanics will, in time, be abridged, and gradually be reduced to the bare means of subsistence.

If this were really true, it might indeed be useless to bolster up an artificial system, and to encourage certain habits; because it might be argued that the more you favour this artificial system, the more you promote that redundancy of population by which eventually the real strength of the empire, instead of being improved, will be sensibly impaired. On the same principle, in enacting laws affecting trade, there would be no occasion to refer

to the elements of labour—the wisest plan would be to allow things to take their course, because the general operations of nature are uniform in every country, and not controllable by legislation. This supposes certain positions regarding population to be indisputable; and, as it is here that I conceive the grand error in a great degree to rest, before going further, I shall submit some explanation.

It is freely admitted, that the disposition of mankind to increase is in proportion to the means of subsistence; and as the territory of every country is limited, the difficulty of obtaining food must gradually increase. The result, supposing nothing else to operate, necessarily leads to the conclusion already contemplated, that of the lower orders pressing on the extreme of the means of subsistence.

But I conceive that food does not solely regulate the extent of population; that in reality there are restraints not exactly associated with the word moral, which act with very powerful efficacy. Such restraints are nothing less than those habits of society which, always existing in a highly-civilized state, it becomes discreditable to men, each in his respective sphere, to have ungratified. Their full effects on population have, I think, been unaccountably overlooked. In illustrating the point, I shall, for the sake of clearness, begin with the highest description of persons receiving wages, and descend to the lowest class of daily labourers. Bankers' and merchants' clerks, then, I place at the head of the

list. Other persons of superior rank may certainly be supposed to live by wages, but in their case there is an essential distinction. They enjoy the opportunity to increase their earnings, either by superior talents or by industry; but clerks, generally speaking, are confined to a stated service, and their rate of salary is adjusted to a corresponding uniformity. Now our object is to inquire, what are the habits of those persons—at what age do they marry? I believe it to be notorious, that the majority postpone it to a very late period of life, and that very many never marry at all. The next inquiry naturally is, as to the cause of this. We shall be told, they cannot afford it. This is a very imperfect answer. Other persons, with a much smaller income, afford it, and manage to rear a family. The true reason is, that mere subsistence absorbs but a minor portion of their income, but custom has imperatively required of them to preserve a more respectable appearance. A large expense is entailed upon them in the article of dress. They have so little, as it were, to come and go upon in what appertains to food merely, and any increased expense on this head would so trench on what they deem indispensable to their own personal appearance, that marriage is regarded by them with the utmost apprehension. With this class, therefore, it may fairly be said, that restraints arising out of these habits of society operate so strongly, as not only to keep population within due limits, but effectually to

check it; and that if other classes were similarly influenced, the speedy depopulation of the country would be the chief dread.

If we take an inferior class of people, warehousemen, and persons employed in printing-offices for instance, we shall find the existence of a feeling similar to that just described, though in diminished proportion. Their work may be taken to be half corporeal and half mental; so great an outlay is not required in their clothing, as in that of the former class, and they have therefore greater latitude in what relates to food; they, consequently, do not view the cares of married life with so much caution. Still there is hesitation and delay; and it must be admitted that such restraint operates to keep down population.

In a still lower order of society, that of mechanics and working tradesmen, we observe a further diminution in certain branches of their expenditure. The single men have a considerable latitude to accumulate in what relates to food, compared to those who are married; and the state is consequently entered into freely. Even here, however, some restraint exists. Any person accurately acquainted with this truly useful branch of statistical inquiry is aware, that journeymen in many trades, particularly in London, are accustomed to spend a good deal apart from food; and thus, at least, to delay marrying longer than is absolutely necessary for them to have saved the means. This is all that

I wish to establish. Population is undeniably checked by such delays.

I now come down to the common day-labourers, and they are beyond comparison the most important in the inquiry; for any redundancy here must immediately affect other employments. With these, it is said, that the supply of food is alone to be considered. I think I have shewn that, step by step, the prudential measure of reviewing all the consequences attendant on marriage, prevails more or less according to the gradations of expence apart from food, which habit has imposed upon the different classes receiving wages. I would apply the reasoning to common labourers, and say; let custom impose upon them the necessity of making a certain display in their persons and in their houses, and they will also hesitate before they make that sacrifice of such comforts, which they know that the expenses of wife and family inevitably demand.

This view of society will receive still further elucidation, if we contemplate the results that would probably ensue, should a great diminution of employment take place, or should the number of labourers so far increase as to create unusual competition, and thus progressively deteriorate their condition. Suppose the scale of living of an ordinary labourer to be as high as the estimate in our English Table. The competition arising from the supply of labourers above the demand, naturally reduces wages. A reduction in that branch of the

expenditure which can best be dispensed with, clothing and lodging, will then take place. Let the evil continue, and an encroachment must be made on the tea and sugar; a stage yet further, and butcher's meat must be relinquished. During this progression, there is no starvation and misery,—there is merely comparative privation of former comforts. But, in the meantime, how are the unmarried and those coming to maturity affected. Men already burthened with families have no alternative—with a fall of wages they must of necessity reduce their scale of living. Not so the single men. If custom has established, even in their lowly condition, a standard of artificial wants which it would be discreditable not to satisfy, and the neglect of which would expose them perhaps to the derision of those just one step above them in society, then would their minds admit a strongly increased bias against incurring the charge of a family. The number of rising labourers would be diminished, and self-gratification ultimately adjust it to the demand.

The restraint thus acting, naturally supposes food not to preponderate among the articles of living. It is not exactly meant to contend, that society has in this or in any other country attained that state when the restraint I have alluded to will act with such efficacy as fully to produce the effects described. The object has been to shew, that, the more artificial wants are increased, the more is a young man impelled, before he enters upon marriage,

to deliberate upon its consequences. Many, certainly, do not give the subject this consideration. This, however, arises from the absence of self-respect—that feeling once awakened, prudence and circumspection attend it as its constant companions.

It is not necessary to maintain that restraint could ever be exercised as effectually over the lower, as among the higher classes. Such is by no means required. The gradations of wages, and the general practice of those receiving them, have been chosen to illustrate the principle, and to establish that there is a point in the proportion borne by food to the other articles of living, leading to that proper and salutary increase of population which shall correspond with the demand for labour, and not outrun it. Whether the actual state of society among ourselves have reached this point, or otherwise, I repeat, is not the question. The thing is possible: say the expenditure for the purchase of food bore the proportion of sixty parts in the hundred to the total earnings; if, in this case, population increased faster than the demand for labour, it would be less likely to do so if the proportion were only fifty parts, and the remainder devoted to the purchase of articles rendered indispensable by custom. And again, if, when only fifty parts went to food, population still increased too rapidly to allow this state of society to continue, a further check could be given by so allotting only forty parts. By following up the scale, we approach at last the point when, agreeably

to the principles developed, the increase of population could be effectually restrained. Many persons will of course differ with regard to the extent to which this reasoning may be carried. I am, however, morally certain, that there is a point where the comfortable condition of the labourer can be maintained from generation to generation, and the attainment of it I do believe to be the grandest achievement in legislation.

The whole of this reasoning will receive considerable corroboration, on referring to the difference of customs of this country and of Ireland. Wages with us are certainly much higher; the description of food is superior beyond comparison; the mortality among our young children is much less; and yet within the last thirty years, population has increased in a far greater proportion in Ireland than in England. Prudential restraints must therefore have existed here to a very great extent, to produce a state of things so much at variance with ordinary conclusions. I know, indeed, no circumstance which so much perverts the reasoning of political economists as the supposition, that the supply of labourers is solely regulated by the supply of food. It is only so to the extent to which earnings are distributed. When, therefore, the real and market rates of wages are high, something else is to be considered before we hastily conclude, that population is rapidly advancing, and that a reaction may speedily be anticipated. A labourer in Kentucky,

who receives his 6*s.* a day, and whose thoughts only extend to the enjoyment of good living, will early take a wife; and a traveller may behold his cottage crowded with a family rising in regular gradation, one above the other, like a flight of steps, and accompanied with every indication of prosperity. A workman in England, equally in receipt of high wages, but who turns pale at the thought of a hole in the elbow of his coat, will calculate with caution the expenses of a family, and there is in the mean time little fear of his contributing to overpeople the world.

Lest something should here cross the reader's mind, that the operation of prudential restraints has been sufficiently attended to in works on Political Economy, and has been fully illustrated by Mr. Malthus, it may be necessary to point out where the foregoing views differ from those of this celebrated writer.

Mr. Malthus, as is well known, takes for the grand basis of his work the principle, that the increase of the human species is entirely regulated by the supply of food; and that the cultivation of the earth can only proceed in an arithmetical, while the population has a tendency to increase in a geometrical, series. Proceeding on these grounds, he enumerates at large the various checks which keep population within due limits. These he classes under the heads of positive and preventive checks. The former is associated with misery; and includes

all the evils arising out of extreme poverty: epidemic diseases, plague, famine. Under the preventive checks, he enumerates promiscuous intercourse, and all irregularities and gratifications of a vicious nature; as also that feeling which prompts man to calculate distant consequences, so as to avoid imprudent marriage. This last he terms moral restraint; it is the only check of a virtuous tendency to which he has adverted, and it is what chiefly concerns our present inquiry. Throughout the whole work he regards it rather as an abstract quality, awakened by the reasoning faculties of man, and operating on his conduct with the same effect as that with which he views the improper indulgence of a vicious passion. Mr. Malthus observes: "Natural and moral evil seem to be the instruments employed by the Deity in admonishing us to avoid any mode of conduct which is not suited to our being, and will consequently injure our happiness. If we be intemperate in eating and drinking we are disordered; if we indulge the transports of anger, we seldom fail to commit acts of which we afterwards repent; if we multiply too fast, we die miserably of poverty and contagious diseases. The laws of nature in all these cases are similar and uniform. They indicate to us, that we have followed these impulses too far, so as to trench upon some other law which equally demands attention. The uneasiness we feel from repletion; the injuries that we inflict on ourselves or others in anger; and

the inconveniences we suffer on the approach of poverty, are all admonitions to us to regulate these impulses better; and if we heed not this admonition, we justly incur the penalty of our disobedience, and our sufferings operate as a warning to others." Vol. 2. p. 303.

Now against these views my two great objections are, first, that in a civilized state of society the supply of food is not the sole circumstance which regulates the extent of population; and secondly, that no moral restraint could ever operate in the same manner, with regard to marriage, as in the control of the vicious propensities. However philosophers may speculate, and with whatever pertinacity they may advance their lucubrations, the mass of mankind will always consider that, so far as moral obligation is involved, to marry early is a virtuous not a vicious practice. The feelings, or if the term be more appropriate, the deeply-rooted prejudices, of almost all classes, lead them to believe, that a man who gives to it an increase of citizens is a benefactor to the state.

It is erroneous, then, to expect that the consequences of imprudent marriage would be viewed by the parties themselves in the same light as they contemplate disease, opprobrium, and misery, the concomitants of drunkenness, and similar vices; but in a civilized community, where man has his eye constantly on his fellow, when he dreads contempt as an evil, touching as it does on a powerful

spring of action—pride, a very different effect may be produced. Self-gratification works in a different direction, and independently of the commendation or the censure of the moralist, leads to requisite foresight in regard to marriage. It could not for a moment be supposed that so acute and profound a writer as Mr. Malthus would overlook the effects produced on population by the varying habits of the working classes, as relates to their artificial wants. He has accordingly adverted to the circumstance in his work; but it is incidentally, and it seems to me that he has entirely omitted to push the matter home, and to deduce the all-important conclusions which arise out of this important branch of the inquiry. What confirms this opinion is the striking fact, that in all his reasoning respecting the component elements in the cost of a commodity, he substantially adopts the same views with other writers, as to the manner in which the supply of labourers is determined. It avails nothing to give a few indefinite explanations, if they are lost sight of when their application is required, and when they should be embodied in the general system. It is this distinction which I wish to point out, as well as to show, that economists, no matter what statements they may have made in a detached manner, in discussing measures of commercial policy between different countries, have ascribed an undue degree of unity and universality to the principles of population. One of the principal causes of the

misunderstanding in assuming the cultivation of the earth to be paramount, proceeds from the reflection that all clothing, and almost every necessary article of subsistence, is equally derived from the land. The cotton and flax worked up in manufactures must grow; the wool shorn from the sheep is equally identified as the produce of the soil. If then the land be cultivated in arithmetical proportion, and the human species increase geometrically, must not the whole produce of the land be ultimately exhausted? Food and clothing derive their origin from the same source; if, therefore, the one cannot continue to keep pace with the demands of population, neither can the other. The same general reasoning applies thus to the artificial as to the natural wants of men, and it is idle and superfluous to attempt to separate them. That this reasoning has exercised great influence upon those who have discussed this subject it is impossible to doubt. It is, however, completely fallacious; and it is an essential object to point out where the fallacy rests. Let a territory be supposed, entirely debarred from all extraneous communication, and occupied by a certain number of inhabitants. Let us imagine this population to proceed unchecked, until every inch of the land is fully cultivated. There can now obviously be no increased supply of food; the tendency to a further increase of population must, therefore, at once be repressed by a positive check. But, it is contended, clothing being also originally

produced from the land, is, in some sense, in the same predicament as food; it is, in its supply, governed by the same laws. It must surely then at length be entirely superseded, and consequently the inferences I have drawn, founded on the distinctions it creates in society, are entirely set at rest. Such is the conception entertained at first sight. The laws, however, which are similar in what relates to the production of food and clothing, are totally different in what relates to the consumption of them. The one is of a definite nature, the other indefinite. A certain quantity of food is absolutely necessary for the preservation of our species: it may on this account be deemed paramount to every other consideration. The quantity of clothing in most parts of the world, and the quality in all, depends upon opinion—an influence nevertheless so powerful as often to control the very wants of nature.

But it is plain that as the difficulty of producing the latter increases, its relative value will rise; it will therefore be the more highly prized both as to the degree of its quality and its quantity. The distinctions and peculiar feelings connected with a man's appearance are thus completely preserved; and this operation can go on indefinitely, confirming the principles laid down, even though the clothing of a man should be reduced to the scantiest covering. To make this more clear, let us conceive that, in our imagined territory, a labouring

man spent fifty parts of his entire wages in food, and the remaining fifty in articles of dress. Now, under these circumstances, the land being already cultivated to its uttermost particle, any further increase of population would demand that a part of what was previously allotted to produce clothing, should be applied to raise the more indispensable article of food. But still the fifty parts might be spent in clothing, as before. Say that, to make way for grain, the growth of flax were discontinued —the use of shirts must then cease. But a labourer wore a shirt not so much because that garment was indispensable, as because to be without one was disreputable. He conformed to the established fashion, and there still remains to him opportunity in other matters of display, to keep up that appearance which is necessary to screen him from the contempt of his neighbours.

Proceeding upon this principle, we may go to a considerable length in thus surrendering articles of universal use. It should nevertheless be remarked, that, agreeably to our views, there would, on the very first pressure, be a tendency to restrain the further increase of population among the lowest classes. Society being constituted in different gradations of rank, much privation would prevail, before the allotment in the general production of commodities, in food as well as clothing, would be altered.

This it is that may with more correctness be said

to occasion the postponement of marriage. I have submitted the foregoing illustration to show that, no matter whether all the land be cultivated or not, there is no change in the relative nature of artificial habits, and that they may still subsist for an unlimited period. The grand object consists in having a considerable portion of the wages of the humblest individual expended in articles not belonging to mere subsistence. We have not to demand whether or not those articles are in their nature trifling, but whether or not, contrasted with the total earnings, they are expensive. Giving due regard to these qualifications, we may then freely admit that the disposition of mankind to increase is greater than that of the earth to afford subsistence. After all that has been written on the subject, the proposition must, I think, to any reflecting mind, appear obvious at a glance. The land can only be taken into cultivation acre by acre, but every increase in each generation of men reared to maturity, gives the means to propagate the species in a multiplied ratio.

All the predicted and direful evils, however, springing from these laws of nature, are either averted, or essentially mitigated, according to the theory I have laid down. Bad seasons, the devastations of war, and every other unforeseen calamity, operate not in the melancholy manner depicted by Mr. Malthus, but merely act upon certain habits which, speaking absolutely, may be dispensed with.

Imperious custom, fashion, may open a high range to these habits; and he who is acquainted with the world, knows well, that many will pine on the scantiest fare, rather than compromise the dictates of their pride.

I hope I have succeeded in showing, that the recompense for labour may be permanently liberal; and thus have exposed the great and generally-prevailing errors respecting the natural rate of wages. I think I have demonstrated, that the cause has hitherto, in great measure, been mistaken for the effect. Most writers maintain, that habits are solely regulated by the rate of wages. I have endeavoured, on the contrary, to prove that there is a re-action; that the population principle is in a great measure influenced by this re-action; and that habits materially regulate wages. I deem it superfluous to notice the puerile objection sometimes urged, that to attempt by any means to restrain the increase of our species is to arraign the wisdom of providence. Whatever charges may be brought against other writers on the grounds of inhumanity, I trust no such imputation can attach to the views here exhibited. My object is to exalt, not to degrade. If we can by any effort banish from among us the ills of poverty and want—that neglect of the offspring of the poor which approaches to infanticide—and the dark catalogue of suffering and of crime which stains society, who will presume to say we violate the ordinances of

our Maker? Man's reasoning faculties are never more nobly exercised than when exerted on this subject. Acquiescing in the great truth, that in this world we fill a state of moral discipline and probation, we recognise the implied admonition to rouse our utmost energies in conquering the difficulties opposed to us. There is none more weighty in itself or in its consequences than that before us.

Section IV.

INFLUENCE OF THE POOR-LAWS CONSIDERED AS AFFECTING THE FOREGOING VIEWS.

In any inquiry concerning labour, it would be most improper to omit so important a consideration as the system adopted in this country to provide for the poor. A very large expenditure being devoted to the maintenance of those unable to procure work, it may be urged, that labourers, notwithstanding the superiority of living in England, are too numerous for the demand, and that, therefore, it is idle to declaim on the influence of comforts, or that any restraints can operate on the lower orders to prevent imprudent marriage. I believe, however, that accurate reflection on this subject will rather confirm, than invalidate, my arguments. That the general principle of rendering relief to a pauper, who, in distress, has probably to blame his own improvidence, tends to destroy his feelings of independence, no political writer would presume to doubt; but, fortunately, many circumstances have hitherto contributed to moderate the evil. Ever since the passing of the well-known Act of Elizabeth, by which each parish was compelled to maintain its inhabitants, this country has been in a progressive state of improvement—extensive wastes have been brought into

cultivation, commerce has extended itself to the farthest extremities of the earth, and the continued march of civilization has led to new objects of gratification, engendering innumerable excitements to industry. The demand for labour has accordingly nearly kept pace with the increase of population. In many points, too, the condition of the lower classes has materially improved. Numberless articles of consumption are now held indispensable to their comfort, which, to their ancestors, were unknown.

In Sir F. M. Eden's work on the Poor, which gives such a luminous insight into their history, it appears that, in former times, the food of a working man consisted almost exclusively of the raw produce of the soil; his clothing and his dwelling, too, were altogether incapable of comparison with present times. It is in these last particulars that the improvement principally consists. Perhaps, however, no circumstance is more decisive as to this fact, than a comparison of the annual proportion of deaths with the total population, taken at different periods.

In the early part of last century, so far as we can judge from the imperfect documents of which we are in possession, it was—

1 in 37

agreeably to the statements of Mr. Malthus, it was,

In 1780, 1 in 40
1810, 1 „ 53
1820, 1 „ 58

The difference is principally to be ascribed to a diminution of epidemic diseases amongst the poor, and to increased care in rearing their offspring—both circumstances decisively evincing improvement in their condition. From the details given in Sir F. M. Eden's work, it would appear that the agricultural labourers have continued much more stationary than the mechanics. At present, the contrast is most striking. Whatever may be said as to the difficulty of procuring a living among the former, no such assumption holds good with the latter.

This may, perhaps, be easily accounted for: a mechanic engaged in any particular manufacture possesses resources which are completely denied to the agricultural labourer; when that individual branch of business happens to stagnate in which the former has been employed, the manual dexterity he has acquired, enables him to avail himself of other employments, the peculiarities of which he finds little difficulty in acquiring. The weaver who has been accustomed to work in cottons, has not a great deal to learn, to commence the weaving of woollens. The same applies to almost all our great manufactures. But a labourer employed in farming, can do nothing else than follow the avocation in which he has been bred: he is precluded from resorting to other means of earning a livelihood:—when difficulty and distress visit the farmer, he becomes entirely destitute, and has no alternative but to throw himself upon the parish. This sufficiently explains why

poor-rates are principally absorbed by agricultural labourers, as also why their condition is, in the aggregate, inferior to that of operative mechanics. The means for their employment are limited, and bounded by the extent of the land; as population increases, their only chance for earning subsistence is, to seek some other employment; but all cannot be done at once; some delay necessarily ensues, and they follow but slowly in participating the prosperity of the manufacturing classes.

Having thus reconciled the apparent contradiction, that our artisans had improved in their mode of living, and were much superior to those abroad, while, at the same time, many agricultural labourers were requiring parish relief, it is proper to revert to the Poor-laws, and to point out how far their existence affects the previously developed views on population.

Without attempting any unnecessary disquisition, I shall briefly observe, that, in my opinion, the expediency of establishing poor's-rates should have reference to the state of the society. In many parts of the empire, not densely peopled, they are a great evil; they chill the kindlier feelings and charities of life, and prevent the amiable and the virtuous from extending to the unfortunate that beneficence, which is so easily and so advantageously exercised in districts where every individual is, in some degree, known to his neighbours. But when civilization and wealth are far advanced, qualities of a more sordid nature unavoidably pre-

dominate, and a dependance upon private charity becomes impracticable. It would be taxing the humane, that the selfish should escape. A compulsory contribution then becomes necessary; and the difficulty consists in its mode of distribution. To uphold in the labourer the feeling of self-respect, and to prevent population outrunning the means of subsistence, it should be a fundamental principle, that the maintenance of a man thrown upon the parish be of inferior description. Contentment in life is altogether comparative; and to let the labourer view the inferior condition of the pauper with dread, would go a great way to make him prudent before he ventured on the charge of a family. Nor is there, in this, any thing harsh. Supposing the condition of the British labourer superior to that of the same class in other countries, and still capable of great improvement, the unfortunate, or the idle and the profligate, receiving relief sufficient for subsistence, would find his condition enviable, when contrasted with the starvation and misery prevailing abroad; and yet by his own fellow-labourers at home, who are in employment, he would seem to suffer much privation. It is upon this basis that all plans for the relief of the poor should be grounded: any other course, it is to be feared, will aggravate the evil so long complained of in this country.

It is obvious that this reasoning applies chiefly to those who are able to work. Some distinction

should of course be made between them and the aged or infirm; as well as in extreme cases meriting peculiar compassion. A discretionary power must be vested in visiting magistrates; much depending on their discrimination, independently of proper attention to the description of food, mode of treatment, and all the minutiæ of the case. At the same time, it must not be denied that in the examinations before the Committees both of the Commons and the Lords, when this subject occupied the chief attention of the legislature, very erroneous notions were exposed on the part of the magistrates in many districts. It appeared in evidence, that frequently the situation of the pauper was preferable to that of the labourer supporting himself on his own earnings. What a bitter addition to the sufferings of the latter, struggling with honest pride to maintain the noblest attribute of our social nature, independence! It further unequivocally appeared, by the testimony of many witnesses, that the treatment in particular workhouses was of so alluring a description, that artifice, perjury, and even bribery, were resorted to for the object of gaining admission to certain parishes. In this state of things, it is plain, if the system were bad in principle, it may be rendered doubly injurious by improper administration. But by laying down a general rule, the proper line of conduct for the magistrate and the officers is greatly simplified. To confine the maintenance of the pauper decidedly

within the limits of what is attained by the lowest description of labour in actual employment in the neighbourhood, is clear and definite. If a common labourer spend 10*s.* a week in subsistence, then that of the pauper should be limited to 7*s.* or 8*s.* If the one partake of such comforts as tea and sugar, the efficient pauper should participate in no such enjoyment. Even if the reward for labour should be permanently so low as to allow only very mean subsistence, we may lay claim to an enlarged humanity and still maintain that that given to the pauper should be of a still meaner description.

In unison with this position, I do believe that considerable amendment could be effected in the system of the Poor-laws, without any of those abrupt transitions which wise legislation so strenuously condemns. Notwithstanding the diminution in parochial assessments within these few years past, the amount levied is still very great; and, what is more to the purpose, it is greater than the demand for labour in the different departments of industry in any degree justifies. Let an investigation then take place into the expenditure of common labour, and a scale inferior to it be adopted in workhouses. Let greater discrimination and a severer vigilance prevail, and the pressure, as well as the pernicious example, will sensibly diminish. It is well said, by an able writer, that as inexorable severity of punishment is not the best adapted for the prevention of crime, so neither is the sudden fall from comparative comfort to hopeless penury the

wisest mode to check improvidence. Moderation is one of the wisest elements of government; agreeably to its dictates, the present state of society enjoins the extension of leniency to the lowest classes. To suppress the importunities of beggars, to abolish vagrancy, to lessen the incentives to vice, are great objects; and if they can be accomplished without even remotely visiting injurious consequences on the general relations of society, an immense benefit is unquestionably attained.

These considerations prove, that a material distinction exists between the Poor-laws as generally administered, and the system taken abstractedly, and properly modified. In many parts of the country, I fear, the condition of a man accidentally thrown out of work, and seeking assistance, would be deplorable indeed. In Scotland surprise has been expressed that an attempt has been made in some districts to establish compulsory contributions. But in reality, a correct view of human nature would account for the alleged impolicy of the design. With the rapid diffusion of wealth, the more selfish feelings, which I have already traced, gain ground; the benevolent feel that in alleviating distress, more or less prevalent in the most prosperous society, they are contributing more than their proportion; and thus, for the sake of justice, a call is made, and attempted to be enforced, on those who seek to escape. It would, nevertheless, be exceedingly injudicious to make the rule universal, and apply it to all cases indiscriminately. In other parts, the de-

sire to assuage the sufferings of the unfortunate may be an universal impulse. The same feeling which prompts to the lavish entertainments of the social board is equally open to the calls of want. Hospitality and Charity dwell together: they are twin sisters, and inseparably accompany the early period of a people's career: though, as society advances, their influence is impaired. This reflection must not, however, engross all our admiration for the primitive ages, and what is termed their unsophisticated virtue. Civilization rouses the most shining faculties of the mind; and he who would sympathize with Goldsmith in deploring the degeneracy of his Deserted Village, merely entertains the wish that society should stand still, and that the spur to exertion provided in the inequality of ranks should cease to operate.

Enough has now been advanced to illustrate this branch of the subject, as far as it is immediately requisite. From all that has been stated, it must, I think, be apparent, that the higher the artificial wants of a working man are raised, the greater will be his dread of a workhouse, and consequently his efforts to avoid it. A resource of this kind must always present much that is repulsive: such as solitude, rigorous subjection, privation of all amusement, possible association with vice, and certain ignominy. These evils are all calculated to stimulate a man to the preservation of his independence.

On this account, I am fully confirmed in opinion that, notwithstanding the loud outcry against the evidence of the Poor-laws, the natural rate of wages may be preserved permanently high. We may indeed even go further, and assert that their influence has not as yet prevented the progressive advancement of our labouring classes. To those, however, who doubt this latter point, it is only necessary again to repeat, that it is in reality of inferior consequence. Our great object at present is rather to prove the possibility of keeping up that salutary supply of labourers which will not outrun the demand for them.

This, I conceive, has been satisfactorily established. Much assistance towards the attainment of so great an end may certainly result from a judicious reformation in many parts of the present system, principally in what relates to the law of settlement, as also the well-intended, but really short-sighted, practice of giving assistance to a man merely because he has a family. If this reformation could by degrees be accomplished, the condition of the great body of agricultural labourers would certainly improve. There is, from the demand in all our leading manufactures, abundance of work for our entire population; but it may with truth be asserted, that the prospect of receiving parish relief prevents farmers' labourers from exerting themselves so much as they ought to do, to bring up a part of their families to other employ-

ments. With regard to the operative mechanics, they have not only hitherto surpassed foreigners in their general intelligence and their mode of living, but they decidedly possess the opportunity still further to elevate their condition.

Abundant scope presents itself to enlarge, were I so disposed, on the immense national advantages springing from a high scale of artificial wants among the lower orders in society. By those writers who have chiefly engaged the public attention to this inquiry, the subject has been at best inaccurately considered, and various modifications under which wages may be influenced in consequence, have been almost entirely overlooked. The supposition that a difference of habits must be comparatively insignificant, can only account for the neglect of a consideration so important. This seems the obvious conclusion. The expenditure and the operations of commerce incidental to the middle and higher classes are palpable, imposing in appearance, and command at once investigation of their extent. The few and trifling articles required by the labourer are viewed with indifference, if not contempt; and it is considered as unimportant, whether their amount be great or little. It is only on reflecting that the distribution applies to thousands in the former case, and in the latter to millions, that we correct our error, and perceive that, even in matters of trade, it is the great mass of the people that demands the chief attention of the legislator.

Section V.

ORIGIN OF COMBINATIONS AMONGST WORKMEN.

Whatever may be written in favour of high wages, master-manufacturers continually exclaim that the principle is fallacious, and can only obtain among speculative theorists. Experience, and a practical acquaintance with the details of labour, have confirmed them in the opinion, that, to ensure industrious habits among workmen, they must be pinched in their means of subsistence. The idleness and the turbulence which have disgraced the manufacturing districts for the last twelve months, are produced as unanswerable proofs of the fact. There is in this a good deal of truth; but as practical men of business are not accustomed to take the most enlarged view of such things, there is, also, a great deal of error. It is very true that combinations principally arise when provisions are cheap, or when there is a great demand for labour. When the reverse prevails, men's thoughts and time are otherwise occupied than in attendance on public-house meetings, and in the framing of lofty resolutions; but it would be very unfair to deduce from this that workmen should be scantily paid. Their conduct, in times of prosperity, should be viewed relatively, and not abstractedly. They

combine when they can easily satisfy those wants which they have uniformly been in the habit of indulging; but if, by any means, those wants could be enhanced, and it became scandalous not to have them gratified, then a greater application to labour would ensue, and the evil speedily abate.

Supposing things in their ordinary state, the mechanics of a remote part of the empire, were they suddenly transferred to London, would cease to work with their accustomed assiduity, because they would find their earnings amount to more than their ordinary habits prompted them to spend. On the same principle, if we refer to some descriptions of work, for which the wages are high, but the nature of which does not much admit of cleanliness, or a generally reputable mode of living, we find that there is no desire for accumulation evinced, but that, on the contrary, one-half the week is spent in uniform idleness and debauchery. In several of the coal-works in the north, it is stated, that a workman receives so high wages as from 1*s.* 3*d.* to 1*s.* 6*d.* the hour. Now, making every allowance for the severity of the labour, there is here the most obvious opportunity for large savings; but the statements of all impartial persons who have visited those districts fully prove, that the men work little more than two days in the week, and, while their families exhibit a melancholy picture of neglect, the remainder of their time own is spent in sloth and drunkenness.

It is unnecessary to enlarge upon this head—both the evidence of the parliamentary investigations on the Poor-laws, and the personal observation of every individual at all conversant with business, corroborate these facts. When, therefore, we hear of wages being high, before we assume it to be beneficial, we have first to inquire what are the habits of the workmen? are they of a proportionably liberal description? Has established custom made it imperative that their homes shall be comfortably furnished, the attire of their families decent, and their own appearance reputable? If such be found to be the case, we may, unhesitatingly, pronounce high wages to be greatly beneficial. But should the contrary appear, we must, I apprehend, draw very different conclusions. The assertions of the master-manufacturer are thus, in one respect, strictly correct. A profuse reward for labour may, in certain states of society, be truly pernicious, and lead to a total disregard of order and just subordination: but, in this situation, to counteract such evils, and recall the workman to his former sober and industrious habits, the desideratum, so far as the nation is concerned, becomes, not to lower wages, but to elevate the scale in which they are to be expended. Many persons, conspicuous for their benevolence, imagine that an improved mode of living is the necessary and direct consequence of an increase in the remuneration assigned to the labourer. Here it is that

I conceive much delusion to have originated. It is freely admitted, that a man who lives on potatoes and water, will gladly, should the opportunity be offered, exert himself to add meat to his fare; and this will, doubtless, apply still farther as regards the actual necessaries of life. But when we come to matters of a less indispensable nature, such as clothing and furniture, the impulse to exertion is greatly relaxed, and, as daily observation proves, a portion only of the workman's time, a few days in the week, are given to labour.

To guard against the least misunderstanding on this essential point, it is proper to observe, that the present reasoning simply implies, that supposing the reward for labour very scanty, whenever an improvement returns, a man may be disposed at once to work up to his fullest powers, in order that he may better his mode of living; but when the remuneration is moderately liberal, and an improvement in it then takes place, a man will not at once work up to his fullest powers—the disposition to indolence will predominate over the desire to compass enjoyments hitherto regarded as superfluities. It is very true that, *in time*, those superfluities may acquire the character of necessaries, and here the distinction rests. It is generally said, let a mechanic's earnings be increased, and he will *immediately* be disposed to wear a better coat, on the same principle as he would prefer white bread to brown. This conclusion is

completely negatived by experience. To make a greater display in appearance, is dependent on custom or fashion, a material change in which is so slow in establishing itself in a country, as never to obtain in a single generation of labourers. This point involving some very important considerations, I shall endeavour to illustrate it in the succeeding Section, explaining the gradual manner in which mechanics, as well as all other classes, proceed to advance the scale of their artificial wants. The primary impulse, it need only be here observed, is almost totally unconnected with the remuneration given for labour, so much so, that cases could be pointed out, where the mode of living of the lower orders has improved, while wages have been stationary, or even have declined—the improvement being accomplished by increased assiduity and greater bodily exertion.

I hope that the full extent of the distinction between the market and the natural rate of wages is now sufficiently exemplified. The market-rate being high, may frequently, I unhesitatingly declare, be very pernicious—occasioning idleness, debauchery, and riot. It is even very questionable, as has been already stated, whether the circumstance in itself could ever lead to a high natural rate. On the contrary, a high natural rate once established, is the greatest benefit a country can possess; it is its surest means to riches and preeminence. It has been shown that Great Britain

far surpasses other countries in this essential particular. It has also appeared, that the assuming it to be of an unvarying nature, has occasioned the grossest misconceptions on the part of political writers.

Our purpose is now to point out the relations affecting the *market* rate of wages, and to prove that the reasoning of Mr. Ricardo and of Mr. M'Culloch is here, also, most incomplete, as the causes which lead it to vary are much more numerous than they have supposed. I retain and use the terms *natural* and *market* rate, because they are those hitherto employed, and will, therefore, be the more clearly understood. Assuming for granted, that the natural rate of wages may be higher in one country than in another, so may also the market-rate in that country be higher than the natural rate. England, I conceive, to have lately been in this predicament. In all our leading manufactures, I was assured, by the most competent authority, that there existed a brisk demand for labour; and I believe this circumstance to be the original and chief cause of the late prevailing and extensive combinations. It will, no doubt, appear somewhat paradoxical, to persons not intimately acquainted with this branch of political economy, that artisans should be unruly and clamorous, when they can procure abundance of work. Such, however, will be found their natural propensity, I fear—at least until the standard of living among them is considerably exalted; but

this, it cannot be too often repeated, is affected by causes totally dissimilar.

In the first place, a little reflection teaches us that there are two leading descriptions of labour; what is paid by the day or the week, and what is paid according to the quantity of work performed. In conformity with the first, a man has only to discharge a prescribed task, definite in its nature, and regulated by his employer; it is no matter to himself whether he use greater or less exertion—he has only to preserve his place, his earnings being still the same. In the second case, a man is very differently circumstanced: to a certain degree, he is much more independent, and can, accordingly as his personal gratification influences him, augment or diminish his earnings at pleasure. The effects arising from this distinction are very material; and in all reasoning connected with the demand and supply of labourers, they lead frequently to opposite conclusions.

The arguments of political economists are uniformly grounded upon the first of these two cases; the parliamentary committee which investigated the Poor Laws, as also that which inquired last session into the Combination question, proceeded on the same principle; while in reality it was to the second that their attention should have been directed. When there is a great demand for labour, in the first case, more work will be performed, and the dependence of the labourer upon his master will con-

tinue as before. In the second case, on the contrary, when there is a great demand for labour, less labour will be performed, and the dependence of the workman on his employer will sensibly diminish. This is simply accounted for, by reflecting that a man is not disposed to work beyond the means of satisfying the wants which he has been accustomed to gratify; and as the brisk demand creates competition in the masters, and prompts them to give higher payment for the yard or for the piece, as the case may be, a man can gratify these established wants with less labour, and therefore less labour is performed. In this juncture, the employer's anxiety to get his orders executed naturally puts him into the power of his workmen, and the latter as naturally take their advantage of it. Precisely as it is between two men making a bargain: the one keeps aloof and maintains an exorbitant demand in the precise proportion in which the other betrays an eagerness to obtain the object. It is by these means that dependence and subordination are weakened; and instead of so pernicious a state of things having a tendency, as has been superficially and absurdly contended by many writers in the periodical press, to correct itself, the evil is really calculated to increase, and that in an accelerated degree. From the abridged quantity of work to which it leads, the masters find unexecuted orders accumulate upon their hands: an extra demand was the chief impulse in the first instance;

it thus acquires new strength, and the masters become more and more dependent on their workmen.

It is thus that combinations originate; when workmen discover that they have so much in their own power, some designing and influential individual among them steps forward, inflames the passions of his fellows, quotes the authority of Mr. Brougham, that none should dare prescribe limits to the wages of the mechanic, and succeeds in eliciting spirited resolutions, by which their employers are placed absolutely in their power. To accomplish this end, idleness is one of the best means they can adopt; and this circumstance requires, beyond all comparison, the chief attention of the legislature in any investigation relating to the combination laws. That it should have been overlooked, certainly appears to me surprising, for it has assuredly been the real cause and the prolific source of all the turbulence witnessed in the manufacturing districts.

As too much attention cannot be devoted to this part of the subject, to make the reasoning more clear, let it be supposed that up to the year 1823 there was a demand for a certain quantity of woollens and cottons, such a demand as about preserved the market-rate of wages on a par with the natural rate. Now say, that, from the recognition of Columbian independence, a large vent opens itself to our commerce in the South American markets. This would obviously occasion a greatly-increased demand for our

manufactures. What then would be its first effect? As orders poured in, competition would be created among the manufacturers: they would employ more hands; and, in order to show a prompt attention to the commands of their customers, they would be disposed to give a higher rate per yard for weaving, as well as for other branches of the manufacturing process. How would this affect the operatives? It has been shown that they are not disposed to work beyond what the natural standard of living requires: if their employers now pay them a higher rate, they can earn the same sum by less work; they will therefore weave a diminished quantity. The employers endeavour to hold out increased inducement, but this very attempt heightens the evil in a magnified proportion, as step by step the operatives find their own power increase. It proceeds at length so far as to cause the infraction of all proper authority. The operatives coalesce, and while they are working only half the week, they denounce their employers as tyrannical task-masters, and describe their own lot as one of unparalleled privation. It is unnecessary to observe, that an extra demand in but one of our leading manufactures, will naturally influence all the rest, and occasion, throughout the whole, results similar to those just described. On the same principle, persons paid a regular stated sum by the week, will ultimately be influenced in their rate of wages. If men paid for the quantity of work they perform are

realizing superior enjoyments over those paid by the week; the latter will soon be disposed to change their employment; and their situations are equalized. It is true, that this will require the lapse of time; but when we view the immense extent of our manufactures, we must be convinced that all descriptions of labour will, sooner or later, conform to this principle. It is abundantly plain, therefore, that the parliamentary committees should have given their attention to the details of labour paid for by the quantity, and not that paid according to time. From the necessary effect of abstaining from work, there was, for some time, a seemingly brisk demand for labour. But this is often an appearance more pernicious than salutary. Should we be overtaken by any serious calamity, should any great market be shut against us, woe betide the operatives of this country. All our reasoning will then apply with inverse effect. In vain will they look to their present resources. Distress will advance upon them with rapid strides and gigantic pressure—as they are heedless and imprudent in prosperity, so will they find their sufferings in adversity awfully severe.

It being most important that no doubt should prevail as to the fact, that the operatives could not, a little time back, complain of the rate of wages or the dearness of provisions, I might, in addition to the evidence already adduced, quote the authority of their leaders themselves. Statements not ob-

tained from the masters, who might be presumed to be biassed by their own interests, but from those in some degree in opposition, seem to obviate every objection. Ample details have in almost every instance been made public, showing to what length of time the various associations could hold out, or persist in their abstinence from work. In one instance a speaker at a public meeting gave in a statement, shewing that six weeks must elapse, before any distress could reach them. At another it appeared that there were sufficient funds to provide each member a reasonable support for several months. If this be deemed all idle boasting, adopted to intimidate the masters, let us look at facts. A discontinuance of work for a very long period did virtually ensue; and did the conduct of the operatives thus corroborate or contradict their argument? If their wages were so miserably small for a long time previous, how did they manage to save out of them as much as for many months supported them in absolute idleness. Thus it matters little to which side we look for evidence—either way the proof seems decisive.

All that precious declamation about the harmonious adjustment of the employer's interests with those of his workmen, and the natural tendency of things to correct themselves, and to find their own level, is reducible to one plain operation, that the evil is corrected, not by a willing beneficial compromise of interests, in the manner maintained, but

by the visitation of distress upon the country. Is this then a policy proper to be advocated? When a manufacturer has orders accumulating on his hands which he cannot execute, it is not to be supposed that his customers will quietly submit to the delay; on the contrary, they will apply to other quarters. This result, if applicable to individuals, will equally extend to nations.

Under these circumstances there will be a constant transition from prosperity to adversity. What, at this moment, is the conduct of the operatives? They are tranquil and submissive; not a murmur is heard; in place of turbulence and dissipation they are now sedulously seeking employment. This alteration proceeds not from the satisfaction of their demands for increase of wages, but from the exact reverse: it is the distress which has overtaken their masters, and which, whether proceeding from the derangement of the currency, or from loss of customers occasioned by the long neglect of orders, in either case establishes our position.

I have endeavoured explicitly to trace out the origin of combinations, because it was unequivocally asserted that their spirit militated not against the principle of the repeal of the Combination Laws. I confidently believe they could be traced to the dawning of the late prosperity upon our trade. During the war, it is notorious that some such associations prevailed to a considerable extent. But it is nevertheless manifest, that the repeal of the statutes prohi-

biting combination, created a wonderful excitement, and prodigiously promoted the insubordination, obstinacy, and boldness of the workmen. If ever there was an act of the British Legislature savouring of the precipitate and sweeping measures of the French revolutionary decrees, assuredly it was this. Not only were the obligations between manufacturer and artisan loosened, but the old relations subsisting between master and servant, closely identified with the practice of our Common Law, were absolutely annihilated. It is unnecessary to enlarge upon this theme, because I believe all parties concur in reprobating the precipitancy and the injurious tendency of the measure. As, however, many arguments are still advanced against a return to the old system, it may be useful to examine them.

It is generally stated by those who affect to be liberalists, that the masters are as much to blame as the men. Give the former, they say, their own way, and they will stint the latter. This has been so often reiterated, being backed also by the authority of Adam Smith, that many benevolent and impartial persons have adopted the opinion. An error, however, has originated here also, from overlooking the important distinction between wages paid by the day or week, and labour paid by quantity. It is evident, that a manufacturer will curtail or extend his business according to the vent he finds for his goods, and in a corresponding ratio are his workmen's services in demand. Over

this vent he cannot possibly exert any control; he finds it dependent on extraneous causes: he has to follow, not to give, the impulse. Now, what applies to one manufacturer, applies to all. It promotes not their interest to overstock the market; a stagnation is the inevitable consequence, and they suffer by the depression of prices. Let us suppose, then, that the masters in any great manufacture were to combine, and make an engagement to pay but one halfpenny a yard for weaving, where they had before given a penny: to what extent would they benefit by this reduction? Were wages in the first instance at a fair and natural rate, the workmen, to live as they had been accustomed, would use more bodily exertion; they would weave, perhaps, not double the quantity, but certainly a great deal more. A much larger stock of goods would thus be accumulated than could be advantageously disposed of, it being presumable that previously to the reduction in the rate of wages, the supply was equal to the demand. A vast glut must then be the natural result; prices would fall, and the masters discover that through their short-sighted cupidity, at their workmen's expense, distress recoiled upon themselves with perhaps augmented pressure. It should, on the other hand, be observed, that this attempt at reduction would cause a tendency on the part of the men to seek more profitable employ, and eventually create such a diminution of hands, as to restore the balance in favour of the men, and compel

the masters to concede an equitable scale of wages. Thus it is scarcely possible for any very injurious combination to arise on the part of masters, prejudicial to the just interests of their men. They may combine against the public, but not against their own workmen. To do the latter, all the leading trades must coalesce; and it has been shewn that then the natural effect would be to injure themselves, since it would increase production to such a degree as to lessen profits.

From this brief exposition of the case, we may judge of the solidity of those arguments, employed unfortunately with too much success, to sever the ties of connexion between the employer and the employed. The interests of the former are certainly in the main congenial to, and if left to themselves will promote, national prosperity. The inclinations of the latter, if we grant the assumption that extent of labour is the foundation of wealth and commercial greatness, operate, I apprehend, in a very opposite direction. It may be argued, that as these views are not likely to be fully understood in all their bearings by mere practical men of business, injurious consequences may arise from their own short-sightedness in endeavouring, on a false basis, to increase their profits, unless they are deprived of all their old means of controul over their workmen. The simple reply to this is, first, that being better educated, there is less probability that they will act on erroneous principles than the latter; and

secondly, and chiefly, that should they be so disposed, then there is a tendency for things to correct themselves, while the very reverse is the case in combinations among workmen.

There remains another argument to be reviewed, in judging of the propriety of the late repeal of the Combination Laws. It was strenuously contended, that to bind down an artisan by any enactments touching his industry, was a direct violation of civil liberty. This appears a most imposing and a weighty objection; but even supposing it valid, many countervailing circumstances will be found to exist. Throughout the evidence obtained by the parliamentary committee last session, one leading particular attracts the attention. It appeared uniformly, that such individuals as refuse to join any confederacy, or union, as it is termed, are "put in Coventry"—denounced with violent menaces, and often openly and wantonly assaulted. Every method is adopted to procure their abstinence from work, and ultimately, no matter how peaceably disposed, they are forced into compliance. The history of their proceedings, and the evidence of every public meeting, confirm this fact. In reality, the great extent to which the evil has proceeded, is attributable chiefly to this cause. In all the clubs or societies, there are bad and designing men, possessing great activity, and using incessant exertion to foment disturbances, who probably have something else in their thoughts than the mere regulation

of wages. These men absolutely frighten the industrious. Parliament has endeavoured, in the last bill, to provide against so great an evil; but a closer scrutiny of all the circumstances would have shown that the means adopted, as compared to the object, are most inadequate. Men do not like to live on ill terms with their fellows; exposure to constant insult is not agreeable; and above all, his feelings of industry and subordination must be strongly planted, indeed, who can resist the alluring bait for ever held out to him, that to strike work is to get higher wages.

For these reasons, I am of opinion, that the law, as it now stands, will prove inadequate to protect the well-disposed, or to recall to peaceful industry the idle and the turbulent. If so, how are the lower orders benefited in the aggregate? Is order an ingredient in civil liberty? The factious and the overbearing may boast of his enlarged freedom to tyrannize with impunity over his fellow, but the industrious is sensibly a sufferer. Upon these grounds, I affirm with confidence, that, granting the necessity for some amendment in minute particulars, the general tenour of the old laws was strictly sound and accurate.

Legislation on this subject, in all probability, is not yet at an end. I will venture to predict, that the state of trade, when it again greatly revives, will force itself upon the attention of parliament. The entire quantity of work performed throughout

the country will fall off, in many departments, fully one-fourth. What an extent of injury has thus been visited upon the nation by presumptuous empirics in legislation! When the subject comes again under investigation, the grand object must be to ascertain, not the earnings of a weaver by the week, but what he gets per yard. How many yards *can* he weave? How many yards *does* he weave, under *adverse circumstances*, how many under prosperous? Correct answers to these interrogatories will give some essential insight into the practical details. The great disparity between the labour which a man performs in a year of prosperity, and one of adversity, will, from all I can learn, excite great astonishment in the casual inquirer. It will militate against much of the favourite theory of Mr. Ricardo and Mr. M'Culloch, relative to the supply of labour; and exhibit the danger of generalizing in such a science as Political Economy.

Lest the reader should deem the views developed in this section in compliance with the imperative demands of truth, to be at variance with those of humanity, for which every man desires to have credit, I conjure him to pause and weigh all the facts of the inquiry. If there be one thing which should most of all excite our indignation, it is the audacious effrontery of those turbulent demagogues, who, whilst they trumpet forth their own liberality, are deluding the operative classes with the most dangerous temptations, and inflicting lasting detri-

ment upon the country.' To substantiate the claim to liberality, between such men and the advocates of opinions here maintained, a very short statement will suffice. And, first, let it be remembered, that the entire basis of this work is grounded on the immense advantages resulting to a country from the comfortable condition of its lower orders. Wholesome fare, reputable clothing, convenient habitation, and general education of the rising generation—these are the substantial benefits I have advocated as the grand desiderata to establish among a people. But a high *market* rate of wages is not the means for attainment of this end. It leaves habits as they were, and merely diminishes labour. Create, on the other hand, agreeably to my views, a high scale of living, and exertion on the part of the labourer will inevitably follow. This is the direct converse of the proposition; and it may be once more observed, that a high scale of living is created by causes totally unconnected with the rate of wages.

In the second place, in vindication of my opinion, that workmen should remain strictly subordinate to their employers, I would, on motives of humanity merely, wish a disinterested inquirer to examine accurately the evidence given before the parliamentary committee, and he will assuredly find that the peaceable, and that means the most deserving, portion of the operatives, have been real sufferers by the repeal of the Combination Laws. Could a

talismanic glass be held to the eyes of the deluded, by aid of which they were enabled to see their future condition, if they persisted in their present conduct, those men whom they now applaud as their friends, they would hasten to denounce as their fellest enemies.

Lastly, if it be contended that my reasoning tends to absorb a man's whole time in labour, and that such a proposal is both cruel and unjust, I answer, I have advocated no extreme. Could we recall that pastoral age, the scenes of which are, by classical association, identified in our thoughts as the happiest periods of society, far indeed would it be from any wish of mine to trench upon the poor man's leisure, or to check the buoyant fruits of relaxation. But for the village green of former periods, we contemplate now the crowded city. Civilization has advanced; and he who views the allurements it has on all sides brought with it, must admit that blameless amusement would too soon degenerate into fatal profligacy.

Section VI.

CONSIDERATIONS ON THE PROGRESS OF WEALTH.

Perhaps there is no branch of Political Economy which has been so imperfectly investigated as that which forms the subject of the present section. Writers in general have adopted one invariable maxim relative to the propensities of the human mind, and have proceeded to reason upon it as if it were unsusceptible of modification. That man's desire to accumulate, and to advance his condition in society, is inherent, and acts with an all-powerful efficacy, will not for a moment be disputed. Give to the humble their own choice of the means of happiness, and wealth will be their instantaneous selection—its imposing attributes present themselves to their fancy with resistless attraction, and its possession seems to hold out to them a career of uninterrupted enjoyment. This passion is not exclusively theirs—it reaches to, and animates, the very loftiest ranks—contentment is as little known there as in inferior circles; it is even perhaps less so, the desire of riches too often increasing in proportion to the quantity possessed. It is doubtless the truth of this which has led writers to imagine, that it is with the mass of mankind the insatiable impulse, under all circumstances, to embark in

industry. But there is a most material difference between the desire to enjoy riches and the means taken to possess them. All will alike take pleasure in advancement, but the irksomeness and the difficulty presented to its attainment not unfrequently deter from the pursuit. The nature and the operation of these obstructions are what we have chiefly now to consider; to ascertain their causes and effects; to discover how far they influence the varied intercourse of society; and to what extent they act on national prosperity. Wealth consisting, not in gold or silver, a notion long since exploded, but in the aggregate of products useful to man, and possessing exchangeable value, inquiry into its progress must necessarily elucidate the introduction of those artificial habits, an extensive participation in which tends so materially to aggrandise a people. It is to the great bulk of a population to whom we have to direct the attention, when we seek to discover the degree of a nation's eminence in arts, in civilization, and in power; and the statesman may boast of having made no small attainment in political knowledge, when he has once discovered the true mode by which this auspicious progression is primarily impelled. Much error has sprung from treating the condition of the lower classes in a detached point of view, rather than as indissolubly linked with that of their superiors. How generally do we hear the benevolent admonished to cultivate the minds merely of the

poor, and then they will instantly betake themselves to industry. If the agricultural labourer had simply to take his implements in hand, and proceed to cultivate what land he pleased, or if the British artizan were situated like the Indian Sudra, possessed of a loom and the power of working it to an extent indefinite but by his own option, then indeed might we expect that our lower orders, aided only by proper counsel, would accomplish every thing by themselves. But in the present state of society in England, capital enters so largely into the production of every article, that it is in vain for a working man to strike out a path for himself; he is strictly dependent on the funds devoted to the support of industry. But one mode presents itself to elevate his condition—to diminish the number of his competitors, or, more properly speaking, through a wider range of expenditure, to increase the cost of rearing labourers.

Since then we thus perceive, that the extent of production depends upon the ideas and opinions of those capable of becoming proprietors or master-manufacturers, the first object is to consider the circumstances under which their conduct is influenced, and then we shall the more correctly be enabled to draw the necessary deductions regarding the distribution and diffusion of wealth generally throughout the community.

When we direct the attention to different countries, we cannot fail to be struck forcibly with the

diversity of tastes, prevailing not in manners merely, but in those more important and weighty concerns of life, where, unconscious of our own prejudices, we often dogmatically assume that there can be but one opinion. That unity of opinion, however, does not exist, even in the momentous considerations of wealth, there is abundant proof.

Announce to the gay Frenchman, or the Italian cognoscente, absorbed in the pursuit of pleasure, the possessions of some English merchant immured within the gloomy regions of Lombard-street, and demand if he, possessed of such wealth, would devote his existence to the irksome and laborious pursuit of business. There is little doubt of the reply; either of them would deem the assiduity of our countryman approaching to infatuation, and reject the idea of postponing enjoyment till, as they would suppose, it had lost its relish. This great contrast in sentiment and propensity has been accustomed to be admitted as a mere dissimilarity of habits, and then dismissed without further inquiry by the politician. So long as the diversity observable in various countries confines itself to exterior manners, this may be allowable; but when it extends to effect a difference in the estimation in which they hold wealth, and in consequence controls the degree of energy exerted in the powers of production, it imperatively demands the closest investigation. Man is found to be so entirely the creature of custom, as to adapt himself insensibly,

but invariably, to that prevalent habitude which he sees around him, and which thus becomes in his estimation the natural fitness of things. This operation has been traced to that enlarged elucidation of circumstances through which certain impressions become indelibly imprinted in the character, which grow with our growth, and at length assume a force equal to that of nature. Every individual, indeed, who has ever turned his thoughts inward, as it were, upon their source, is sensible how much his conduct in life has been influenced by peculiar incidents, by the tone of the society in which he has early mingled, by the principles and the standard by which merit or demerit, praise or dispraise, has been awarded in the estimating of the characters of his associates. The train of thought or contemplation thus actuating the conduct, has been denominated sequences, and accordingly as they incline to good or evil, will the condition of the community improve or deteriorate. The rising generation naturally imbibe the sentiments of those in active life; and regarding the aspect of the times, their ideas become gradually moulded to an approval of that state of things, not such as is absolutely best in itself, but such as is by those around held in the highest estimation.

To illustrate, practically, the mode in which these sequences of thought occur to the mind, let us fancy a young man who is just entering upon trade, to be transported to a splendid mansion, the villa of some successful merchant; when he beholds its uniform

splendour, and reflects upon the means of enjoyment it presents, the respect, consideration, and privilege which await its proprietor, the train of thought irresistibly arising in his breast must be dependent upon the impression to which his mind has become habituated. According to the company he has frequented, according to the tenour of conversation to which he has been familiar, according, in a word, as wealth has been prized by those with whom he has associated, will be the intensity of his feelings in regard to the fortunate trader whose opulence he is contemplating. Here is the commencement. The next thought that arises, will be as to the means by which all was acquired: say it was by a skilful union of enterprize with close assiduity. Immediately then will follow the question,—Might not I, by similar means, attain to so enviable a condition? He is thus eventually impelled to prosecute his employment with redoubled ardour, his imagination presenting in its brightest colours the boon for which he labours, as a constant and increasing stimulus to perseverance. Mr. Kelly, in his recently published Reminiscences, avows his own advancement in life to be owing to an accidental occurrence of this express nature. It was the envy excited at seeing a brother musician, who had attained to eminence and fortune, put into his mouth a luscious-looking peach, which stimulated him to such close and determined attention to his profession, as should one day put similar luxuries within

his own reach. Would every man who has advanced his fortune in life as ingenuously declare the nature of his early impulse to exertion, we should often discover incentives of a parallel character actuating his conduct, if not in the very outset, yet not far from the commencement of his prosperous career. It is, indeed, on grounds such as these that philosophers, in analyzing the springs of action, have assigned the senses of pleasure and of pain as the motives of man's conduct. Hobbes, who has enlarged upon this theme, points out the mode in which impressions of ideas succeed to each other, showing, eventually, the dependence of custom in what primarily pertains to the senses. But vaguely to resolve our motives of action into the impulses of pleasure or of pain, and there to stop, would bring us to conclusions highly imperfect. All men would seek the one, and avoid the other; and on such grounds it is reasonable to infer, that all would, with equal intensity, apply themselves to industry, as the mean of accomplishing this double object. That such is not the case, society every where proves—and we are, therefore, compelled to reject reasoning proceeding on a general rule, wanting the corroboration both of proof and of the actual condition of things.

It appears to me, that the half only of the question is decided, and that is the obvious and easy one lying in the affirmation, that men engage in industry that they may obtain command over gra-

tification. By far the most difficult task remains, that of ascertaining how this gratification is viewed under different circumstances, varying in their ability to be defined, and to what extent the means adopted to obtain it, may not partake occasionally of the opposite quality of irksomeness or pain. These terms, taken abstractedly, are easily understood; but in the affairs of life sensations are so mixed, that before we can pronounce a certain object agreeable or otherwise, a point only determinable by the voluntary action of the agent, we have to refer to previous impressions. Not only do individuals differ in their respective estimation of particular ends, and of the means required to attain them, but whole communities, as it has been stated, maintain opposite sentiments, and if called upon to define the nature of pleasure, would vary as widely as in name or language.

All men are sensible of their predominant feeling at any particular period; yet even when it assumes a character of unpleasantness, there is an innate impulse of action secretly at work which checks the rising murmur of complaint, supplies the aid of patient endurance, and exerts over the whole conduct a controlling power. If we view the country gentleman, blessed with the means of ease and independence, yet plunging into the agitated stream of politics—or if we contemplate the law student, possessing a moderate competency, pining over the midnight lamp, and wasting his frame in

study—or if we mark the commercial aspirant, devoting his days to dull and monotonous routine, partaking but of occasional recreation by stealth—what, we demand, is the impelling motive which thus sacrifices actual ease to dubious success? Can the love of enjoyment, correctly speaking, be pronounced to be the motive? I apprehend not. But a feeling lurks within which buoys up the spirits under the pressure of privation, and this derives its character from the peculiar texture of the society. Its degree of efficacy depends upon the degree of intensity with which certain conclusions in the train of thought operate upon the mind. If consideration and respect be awarded solely in proportion to the amount of worldly substance—if, in a word, wealth be thus all-powerful, men will, indeed, bear inconvenience, and forbear from present enjoyments, to reach the alluring goal. But it is surely evident, that this operation is, in its essence, very different from the generally-received notion regarding the springs of industry. In point of fact, much irksomeness, and this is pain, must be endured, in order to arrive at a reasonable chance of success, where there is a crowd of competitors to contend with. That there will be such must naturally result from the cause itself exhibited, or from the avidity with which the object sought is coveted. Across the imagination of those thus absorbed in toil glances occasionally the alluring idea of realizing the charms of leisure—of contemplating the beauties of nature—of revelling in mental ecstacy

through galleries rich in the choicest productions of art; and a melancholy sigh of regret too frequently escapes at the present exclusion from what appears the true enjoyment of pleasure. Now, this exclusion very often proceeds, not from any great or intrinsic obstacle, but from the force of opinion, from the dread of violating or neglecting that line of conduct which their education and habits have erected into the standard of propriety.

I hope that these reflections will not be pronounced to savour of unnecessary refinement. If man be a free-agent, pursuing the gratification of his will at pleasure, and if for the greater part of his life he submit to what, under ordinary impressions, we deem inconvenience or disagreeableness, while he has the ability to avoid them, we have proof at once of the great preliminary proposition in this inquiry, that men's ideas of enjoyment differ, and that the difference proceeds from the diversified conclusions arrived at by sequences of thought in the mass of the population of any country.

The next object naturally is, to attempt to discover the fundamental causes which lead to those differences. We shall then, perhaps, detect some superficial reasoning among those state-doctors who so much delight to expatiate on the means by which a people may become rich.

It has been truly said, that our species is more distinguished from the rest of the creation, by the social feeling, than by any other of its attributes. We are inextricably dependent upon each other,

and it is this very intimate relation which gives rise to one of the strongest and highest of our sensations, that of sympathy. Little investigation is required to show how it operates—bearing with greatest force upon our own families—next, our friends—then casual acquaintances—then our countrymen—and last of all, and with least intensity, as forming the extremity of the sphere of its influence, our fellow-men in distant regions. In every state of civilization, this gradation obtains. Indeed, as society advances, its influence tends rather to diminish than keep pace with the progress of refinement. In large cities, presenting the opportunity of widening his connexion, a man is found to confine his sympathies the closer to his family, and a few select friends. Agreeably, therefore, to the intensity of this feeling towards another, is the impression excited in the former by whatever circumstances affect the latter. That event which, occurring in our own family, would engage the deepest of our feelings, excites, when occurring to a friend, considerable interest only; whilst, as the subject of it recedes from the confined sphere of which we are ourselves the centre, the self-same occurrence commands casual observation, or, perhaps, is received with utter indifference.

To make an application of our views, let us suppose a man to acquire a large fortune, and to rise far above his original condition. Such an event occurring to one with whom we are in daily inter-

course, strikes our attention with extraordinary vividness—it engrosses our thoughts, and haunts our very dreams—and we eagerly resign ourselves to the contemplation of every advantage of which it appears to confer the possession. But if the fortunate individual be one removed from our frequent observation, though his success may awaken our grave reflections, yet they are transient, and are speedily dismissed from the mind, as having no personal interest for ourselves. Our sympathies are still further circumscribed in regard to those whose condition is on a level with our own. The affairs of those beneath us are scarcely thought of; and though the manners of our superiors engage much of our contemplation, still we do not sincerely sympathise in their feelings, nor does any casualty of good or ill, experienced by them, present itself as a lesson for our own guidance. We are, for these reasons, confined to a narrow sphere in tracing the motives of action. In regulating the affairs of life, man's observation is contracted; his conduct is influenced chiefly by those who are known to him, and who stand in the same scale of society with himself. It is, therefore, here, and here alone, that any operation must commence; which determines him to supineness or exertion; and his estimate of what is called happiness in life will be modelled upon the standard which prevails around him, and by the practice of others will he shape the means of its attainment.

Instances are not uncommon where, certain bar-

riers being prescribed between different classes in the community, a particular operation may be produced in one class, while the reverse is perceptible in another. Too many of the states of Europe are arbitrarily divided into the three classes of nobles, traders, and peasantry. Let any improvement in the condition of an individual take place in either of these respectively, and still the example produces little or no effect upon the rest. Were the members of the first class to experience an accession of fortune, or otherwise elevate their condition, the second might notice the fact, but it would produce no effect upon their own character. Should numbers of the latter, again, attain to opulence, it would give a general stimulus to industry throughout their whole class; but the peasantry would observe the change with apathy, nor would their own energies be called into action, until their sympathy received excitement from instances of such aggrandizement among themselves.

It has moreover been remarked, that the influence of this principle extends not to those remote from us; it embraces those only immediately around us. Thus it is that many of our commercial towns exhibit characteristics peculiar to themselves. Liverpool has long been celebrated for the ardour with which she courts enterprise and speculation. This propensity sprung out of the many and rapid fortunes realized in the West India trade, and from her successful adventures about the period of the Ame-

rican revolutionary war. Bristol, on the contrary, speculates but little, her merchants preferring slow but certain profit to great risk. In both cases, beginners in commerce naturally adapt themselves to the prevailing state of things around them. A Liverpool merchant would run the risk in Bristol of being pronounced a hot-headed speculator, deficient in the true principles of commerce. The man so accused would retort upon the merchant of Bristol the imputation of tamely sacrificing his best faculties to habits of indolence. It would be easy to multiply such cases—but a mere outline is sufficient to establish our object, and to show the means by which productive industry is created, modified, and advanced.

It must not, however, be supposed, that the desire to improve our condition, excited as here described, acts without limitation. The time will assuredly come, when the old sentiments regarding the irksomeness inseparable from the attainment of wealth will return, and preponderate in balancing certain conclusions arrived at in those sequences above illustrated. At what juncture this arrives is a nice point, and very difficult of decision. But that there is such, can be made apparent. How common is it to hear persons, when speaking, for instance, of a legacy or a jointure of 5000*l.* add, "and that was a large sum *in those days*, or *in that country*." Now what is meant by those appendages to the remark? Is it not convincing, that there was a

species of ideal standard, by which the narrator formed his estimate. Similar sentiments actuate the entire community, fluctuating doubtless in degree, but nevertheless gravitating towards the same principle; and as it is at this standard that men's ideas begin to change, when they compare the trouble of attending to business with the enjoyment they can compass independently, it is of no small importance to produce some explanation. Wealth is desired not for its own sake, but that it may be spent. So far, however, as the expenditure of an individual is confined to the demands of mere personal gratification, it is comparatively easily satisfied. Beyond certain lengths, the indulgence in personal luxuries, as feasting on venison and champagne, ceases to be the chief object of desire. The social principle, or the feeling of sympathy already adverted to, leads men less to desire positive enjoyment, than to possess the consciousness that they derive importance in society, and are entitled to rank and distinction. I believe there are few families, whose history would not demonstrate the eagerness for precedence, which stimulates to the acquirement of means either to rival each other, or to surmount present inferiority. Now the degree of respect accorded to individuals in society must be relative. A certain scale is established, which, though tacitly, is universally recognised. Next in estimation to the nobility are the country gentlemen. Men in trade, therefore, as they prosper, and their

ideas expand, look naturally up to this rank, and covet the privileges and the deference which the character of a country gentleman commands. That it does command them is most obvious: the importance in which a rich merchant is held is but local—he merges amongst a number of competitors, engaged in the same pursuits, and estimated by the same standard as himself; and in the crowd, individual importance becomes insignificant. Even in computing that by which his public weight is almost entirely estimated, namely, his wealth, his claims are often contested. Though he may pass for a man of one, two, or three hundred thousand pounds, yet there are never wanting men who, by significant gesture or intelligible innuendo, pronounce that there is more of semblance than reality. For these reasons, no matter what may be his real power to command enjoyment, he still finds not that general deference which the amount of his fortune might lead him to expect. But the estated proprietor, possessed of only equal income, is very differently situated. He is extensively known, and his society universally courted. A squire of this or that county is an imposing denomination, and announces a personage of importance. It carries with it, too, the admission to such dignity as the office of magistrate and grand juror, and gives political influence—thus presenting scope for the gratification of that sense of consequence which the mind delights to indulge. Besides, in a country life there are many attractive

charms. To speak nothing of the greater secureness of possession, there are the wholesome pursuits, the salubrity of the air, the exhilarating sports of the field—producing an exaltation of the spirits, which, when added to the conscious pride of possessing control over a wide domain, conjuring up ideas of feudal association, determine most men to join their suffrages in favour of landed possession. It might then be expected that the rich merchant, retiring from his pursuits of business, would invariably seek to vest his property in landed estate. That we are never contented with our lot is an obvious truism, as it is an universal fact; but the operation of our discontent is not always accurately judged of. When a merchant has been successful—when he has made his fortune, the aim to advance his gentility, if it may be so described, to which the female portion of his family probably supplies the impulse, chiefly possesses his thoughts.

No means are so well adapted for this end, as the purchase of an estate; and such is, in fact, the auspicious termination generally of an eminent merchant's career. The consideration accorded to a person of property depends not absolutely on his income being five or ten thousand a year, but on the degree and comparison which that bears to others higher in the scale. Reduce a country gentleman's income to one-half, and if the calamity visit him alone, there would be an immediate diminution of his importance. But let the Northumber-

land estate, or the Bedford, let the whole landed interest, suffer equally, each proprietor would command precisely the same estimation as before. When, therefore, a merchant wishes to purchase an estate, he fully keeps in sight this relative distinction. His object is to raise his consequence in society; and if his purchase enables him to support but a small establishment, compared with those of his neighbours, he finds his object defeated. He contemplates the expenditure, the equipage, and mode of living, the income of those to whose rank and estimation in society he wishes to attain, and he perseveres in consequence in his efforts, until he has accumulated the means required to put him on their level. So that whatever may be deemed the average of the country gentleman's revenue, that wealth will the merchant think it requisite to have acquired before he quits his mercantile career. The value of estates in land is the regulator of opulence. Its augmentation has been the true cause of enlarging men's ideas as to the import of the term "a fortune."

It will, perhaps, be urged, that merchants do not often retire wholly from business—they may transfer part of their property to the purchase of a country-seat, but they are still engaged in commerce; and it is, therefore, fallacious to suppose that the state of landed income affects their conduct. That men, accustomed for a great number of years to a uniform mode of life, feel certain habits inve-

terately incorporated into their character, is fully conceded. With them, to succumb under the weight of idleness seems unworthy and reproachful. But it is important to remember, that the habitude alone continues; there is a manifest abatement of their energy; they no longer yield to the spirit of enterprise; they do not, in the mercantile phrase, push their business in the degree which distinguishes the less successful and more active trader. This produces all the effect for which we contend. We are inquiring in what manner productive industry is influenced—and abatement of exertion tends to the same result as actual cessation. Many merchants, again, have their names retained in firms long after they have themselves virtually retired: this is done for the purpose of bringing forward relatives, for whom they desire to preserve old connexions; but still the point at which they surrender their own participation is strictly in conformity to the principles advanced. It may be urged, further, that the number of those who can hope ever to become estated proprietors is exceedingly limited, and that, therefore, the doctrine does not apply to the producers or the capitalists of the country in the aggregate. The relevancy of the position is still, however, easily demonstrated. It is by comparison that all men in traffic are stimulated. They look around them, and renew their assiduity, lest some neighbour get beyond them. Each in his respective sphere has

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certain land-marks in his eye, and receives the tone from some acknowledged leader. Instances have occurred, within these few years, of eminent merchants making purchases of estates to the amount of 400,000*l.* and 500,000*l.* If the motives and the feelings of these fortunate individuals could be analyzed, I calculate on ample confirmation of my views. Had the incomes of those with whom they now associate been but half their actual amount, might not they have desisted much earlier? The true origin of their change of views, which would now contemplate the toils of business as intolerable, or irksome, proves clearly, I apprehend, that our ideas of wealth are not arbitrary or undeviating.

There is the desire to enjoy and raise our condition, operating on the one side; and there is the irksomeness inseparable from its accomplishment, on the other. When the power to compass enjoyment has attained to a certain extent, then the repugnance to what is irksome will predominate. My object has been to define the point at which this change is determined, together with the principles on which it depends.

It is, indeed, a work of supererogation to assert, that our ideas of contentment are regulated wholly by others, and not by ourselves; or that as much of the reality of enjoyment is attainable with 50,000*l.* as with 100,000*l.* a-year. Does the lady of fashion, who collects four hundred of her friends at her

evening routs, and afterwards seeks a couch, from which she rises wearied, spiritless, and exhausted, feel a particle more of enjoyment than if she had neither had, nor heard of, a party exceeding two hundred? Let candour own to her motives, and confess them founded in the spirit of rivalry, to which we see the public prints daily administering stimulants in their proclamation of the splendour exhibited by some other great lady, or some new aspirant to the fashionable zenith. Such incidental illustrations of manners should not be overlooked, for they furnish insight into the affairs of life, and correct our liability to error in estimating the real character of enjoyment.

Having shown that men's desire to accumulate, and to improve their fortunes, not only varies in different countries, but also in the same country at different periods, it is now necessary to advert to another circumstance, associated with the foregoing considerations, the concurrence of which is indispensable to afford the means of prosecuting trade extensively.

When persons engage in productive industry, they will in vain exert their utmost efforts, if there be not adequate consumption of the articles of their production. The principles which determine this consumption are very differently viewed by the most eminent of the economists, and as they affect some fundamental positions, they merit particular attention. M. Say and Mr. Ricardo, Mr. M'Cul-

loch and Mr. Mill, maintain, on the broadest grounds, that extensive production leads to extensive consumption. Agreeably to their theory, men have only to manufacture articles to an unbounded extent; for the nature of commerce being merely the exchange of one article for another, it is contended that each branch of trade respectively is promoted, in a corresponding degree as others in the aggregate flourish. On this principle, a general glut can never occur. Whenever such an evil threatened a community, accurate investigation would prove it to be only partial; the evil sprang from the imprudence of the manufacturer in producing articles which were not wanted, instead of such as were. In other words, supposing a supply of woollens so large as not to meet with an advantageous sale, the alleged cause would be that industry had been exercised in a false direction; woollens, not in demand, were multiplied, while cottons, silks, linens, or some other commodities, which were, had been neglected. This argument has become the never-failing resource, to explain the cause of that distress which so frequently visits the mercantile world; and the original cause is always traced to the erroneous policy and barbarous enactments of governments, in imposing improper restrictions, through which the whole elements of trade are entirely perverted. On the other hand, Mr. Malthus and M. Sismondi maintain, that consumption gives the primary impulse to industry.

They argue, in direct opposition to the writers just named, that the powers of production are attendant upon, and secondary to, those of consumption. When the latter is active, trade is brisk, and persons engaged in business are encouraged to increase their exertions. In pointing out how far each of these theories is entitled to attention, it must, in the first place, be obvious, that the views of M. Say and his followers suppose the desire of accumulating, as implanted in the breast of man, to be universal, regular, and undeviating. If, therefore, I have succeeded in exposing this error, the basis of their argument is entirely annihilated. It is perfectly superfluous to declaim about one commodity being always exchanged, or purchased, with another commodity, if the desire of the traffickers to possess them be different; if, in a word, wealth, in all its relations and ramifications, be variously estimated. But there is another inconsistency into which these writers fall, proving the absolute necessity regarding consumption as a leading stimulus to production.

It is unnecessary, in elucidating this branch of the inquiry, to extend the case to include other countries. It is evident that we must import to the same extent as we export; and, consequently, whatever are the powers of production exerted abroad, to an equal degree must there be power at home exerted to consume what we receive from them. Now, granting this, let us see how far it

bears out M. Say's theory. When men engage in productive industry, that is to say, when they become manufacturers, or embark in trade, what is the great object? On all sides it is acknowledged, to acquire a fortune; to be able to realize such a competency, as to enjoy leisure and independence. To accomplish this object, annual savings must be added to his capital; his expenditure must be below his income; in other words, he must consume less of commodities than he produces. A similar feeling prevails throughout all persons engaged in trade; and how then is it possible to procure a sale for this surplus? It will not suffice to argue that it may be disposed of to foreigners. This would but be to exchange one commodity for another, and this leaves the argument where we found it. It appears from this abundantly plain, that the theory of production creating consumption must, in its ultimate bearings, be applied to the commerce of a country within itself; and in this case to suppose for a moment that its positions are correct, is simply to suppose that those engaged in trade do not seek to accumulate, but that they live up to their incomes. This appears to me the only inference that can be drawn. Mr. M'Culloch has, in his recent work, stated, that every man's object, in exerting his productive powers, must be either directly to consume the commodities he himself produces, or to exchange them for others which he wishes to consume. There is a seeming accuracy in this assertion, but

if we recur to the business of life, we cannot properly say that the manufacturer has the wish either to consume the whole of his own production, or the articles for which it exchanges. If it be argued that in acquiring money he receives a commodity, let it not be forgotten that if all his fellows proceeded in a similar manner, money would, on the grounds just stated, flow in from foreign parts beyond what was practicable for the purposes of trade, and thus defeat its own object. When profits are at a moderate rate, the quantity of goods which a manufacturer must finish and pass through his hands, bears an immense proportion to the amount of his capital. Take the quantity of calico produced by a cotton-spinner in the course of a year, and contrast its amount with the value of his property, and then some idea may be had of the probability of producers in general getting a vent for their wares amongst themselves. Every other branch is to a degree similarly circumstanced, and if they stand thus one to another, some extraneous source, though still within the country, is surely required to procure a sale. Let us take any definite number of producers, and view them singly,—two points then present themselves for consideration: 1st. That they embark in business to augment, say 1000*l.* to 20,000*l.* 2dly. That, from the rate of profit, they must, to attain this end, produce a prodigious quantity of goods in proportion to their capital. Do they consume the whole of these goods

themselves? It is difficult then to understand how all of them could increase their 1000*l.* to 20,000*l.* If they do not consume them, it is the object sought to be proved. It is immaterial whether the consumption be of perishable or durable objects, whether it be effected within a long or a brief lapse of time. It must still be in the way of expenditure; and in the interval that must elapse before the producers are rich enough to enlarge their expenditure, and such interval must be found at every period of a nation's advancement, the aid of the affluent classes is required to enable the other classes to attain their object. Even, then, imagining the progress of wealth to be regular in its operations, there seem decisive objections to our conceiving that no limits can be assigned to national powers of production. I apprehend that practical men would find, no matter what foresight they might employ in their choice of business, that sooner or later a general glut of commodities awaited them. But when we consider, in addition, that the progress of wealth is not regular, that according to the varied condition and customs of society, men feel variously influenced, whether they shall embark in business or not; or at all events, to what extent they shall pursue it; surely it is impossible to hesitate in pronouncing the whole system to be speculative, and perfectly fallacious.

The palpable necessity, indeed, of an advantageous opening being afforded to persons embarking

in trade, or in other words such an extended consumption as would secure, both to them and their competitors, a fair rate of profit, led Mr. Malthus and M. Sismondi to insist strenuously on the advantages of what are generally termed unproductive consumers. So far did the latter writer attribute the distresses in trade to over-production, that in depicting the ruinous consequences befalling the British market, as the continental markets a few years since, he deprecated the too extensive use of machinery. Mr. Malthus, on the other hand, though applauding the great advantages of machinery, has certainly intimated that the annuitants in the public funds, the army and navy, and also the civil establishments, contribute in a certain degree to the general prosperity, by their consumption acting as a stimulus to industry.

The opposers of these opinions have condemned them with much severity. Mr. Malthus's theory, it is argued, would lead to the justification of the most extravagant war-expenditure. In this, much hasty prejudice has been indulged; for, in justice to Mr. Malthus, it should be stated, that his view of the advantage accruing from unproductive consumers, supposes no additional burdens imposed on the rest of the community.

It has merely been necessary to give a general outline of the opposite views held by these writers, that this part of the subject should be more correctly understood. If the consequences attendant

on production have been mistaken by M. Say, so, on the other hand, I am inclined to imagine that some particulars, as regards consumption, have escaped the penetration of his opponents.

In delineating the various gradations of society, it appeared that emulation was the predominant feeling which led a man to forego the pleasures of leisure, to devote his attention to the counting-house. When success crowns his efforts, something similar still dwells in his bosom, but it operates in another direction. The respectful deference and general estimation accorded to the nobility and the highest ranks, present the ultimate goal to which the wealthy aspire; and, as has been described, when the latter have amassed adequate means, they seek to be equally distinguished. But newly-acquired wealth finds not that prompt deference which is commanded by hereditary rank. More imposing attractions are consequently held out; a greater display is resorted to; and every means employed to inspire respect in the generality of mankind, and to compensate, by superior magnificence of exterior, for the deficiency of birth. This feeling, to a certain extent, prevails universally, and no person of the slightest observation can, for a moment, doubt of its powerful influence on the national industry. The chaste dignity of the patrician's mansion and establishment, contrasted with the gorgeous display which marks that of the opulent citizen, has, by most writers, been deemed conspicuous; and allowing

for the general improvement in taste, may still be said to prevail. Throughout all classes of society this remark is applicable. When men, no matter in what grade of life, reach an elevation above their former state, and wish to receive respect from the community corresponding to their advancement, they tend, in their mode of living, to surpass those to whom the same rank has long been habitual. A more extensive consumption of commodities thus arises; and that that may be compassed, perhaps leads to increased assiduity.

But the benefit ends not here. The example of those who have recently attained to these distinctions from the acquisition of wealth, naturally gives excitement to others, who might else have sought no means of increased expenditure. Many sources of new gratification are opened; invention is roused; and industry being thus daily presented with fresh stimulants to exertion, pursues its course with augmented vigour. In this auspicious pursuit the great advantages of what Mr. Malthus terms the proper union of proportions is sensibly perceived. Consumption in a thriving country, by a happy propensity of our nature, encourages production; but, I believe, in a manner rather different from that hitherto described. It is the consumption of unproductive labourers, certainly, but of those who were once productive; and it springs from a species of vanity, harmless in itself, yet assuredly beneficial to the country, and leading to a greater use of those material

objects which, properly speaking, constitute a nation's prosperity. It is not necessary to inquire if the disposition to consume, here described, be equal in its effects to a very large power to produce,—it is sufficient that I have merely pointed it out, and I need only remark, that he who looks abroad in the world, will find its influence of considerable moment. But it is most important to consider, that the original impulse is created by causes of a very different description. It would be useless to speak of men making a greater display of newly-acquired wealth, unless they had the disposition to acquire it: unless they are roused from their indifference by feelings of envy or emulation. And here we return to the point from which we started.

That no misunderstanding may arise as to the extent, bearing, and importance of our object, I shall endeavour to exhibit, at one view, the mode in which the whole train of circumstances operates.

In the first place let us conceive a country where the profits of stock, for a considerable period, have been regular, and at a moderate rate. Little inducement to speculate is consequently found, and industry proceeds at a slow, uniform pace, which has nevertheless been pronounced to be conducive to solid prosperity. Such was England during the greater part of last century. There was a definite quantity, an ultimate standard of wealth, to which persons in business endeavoured to attain; and on reaching this, they retired, to enjoy the luxury of

leisure. Landed estate being the highest and most estimable description of property, the standard would be adjusted to an amount sufficient to procure consideration among landed gentlemen, when such an individual left off business, and transferred his property from trade to an estate. Suppose 5000*l.* a year to be sufficient to gratify this object: why then, when a merchant had accomplished it, his exertion would abate, and the labours of the counting-house be abandoned. By parity of reasoning, those about to enter into trade are influenced by the same feeling. A moderate opportunity only is afforded to new competitors in productive industry; interest and profits are low; little excitement prevails, and those possessed of but a small inheritance, are tempted to court the genteel professions to augment their livelihood.

This then is the first stage. Let us now imagine a great excitement created; let us suppose, for example, a new colony established: a quickening avidity for trade immediately displays itself; and the seas are covered with the messengers of commercial enterprise, and large fortunes are rapidly acquired. The neighbours of those who are successful, perceiving men who were formerly their equals now getting above them in society, feel in themselves desires to which they had been previously strangers. They cannot bear the implied taunt from their former associates' elevation. They conceive the disposition to try their own fortunes

in business; they no longer allow their sons to have no other pursuit than the chace of hares and foxes; they place them in trade, and thus the productive powers of the country are prodigiously augmented. In the mean time, land, being still the highest description of property, the streams of the colonial wealth ultimately settle there. Through the general operation of prosperity, land rises in value. The standard still kept in view by those in trade advances, of course, proportionably; and thus persons in business discover no inclination to retire upon a fortune with which they would have been formerly contented.

Here we perceive the second stage. But all those beneficial effects do not speedily terminate. After the new channel of trade has been adequately supplied, and no longer presents unwonted allurements to enterprise, persons still feel disposed to embark in business; and, what is most important, they find an opening, that is to say, they are able to obtain satisfactory profits. From the variety and the vanity of newly-acquired wealth already illustrated, there is a greater consumption of commodities. Every description of household embellishment, as well as of personal clothing and decoration, with a variety of articles altogether new, are introduced, giving increased employment to the manufacturer.

This exhibits the third stage; and as a higher standard of wealth prevails throughout the country,

so is a greater intensity of industry exerted. This great change, however, is solely to be attributed to the great exciting cause which gave a new tone to men's thoughts. Had no such impulse arisen, the country would have advanced certainly, but in a slow degree, and bearing no better a comparison to what we have actually seen, than does the tardy pace of the cart-horse to the fleet course of the racer.

It will be perceived that I have confined myself to leading characteristics in this illustration. Many causes may occur to inspire a people with new motives for energy. War even may be among the number. With regard also to my observations on those retiring from trade, I wish to be understood to adhere merely to the predominant impulse. We are not to judge from custom or appearances, or from isolated cases, but to take aggregate effects.

Enough has now been advanced to explain how the term wealth has been variously estimated in different countries. Ask a man in the middle of Germany what sum he has in his mind when he calls another rich, and he will probably answer 20,000*l.* Put a similar question to a London citizen, and the reply may be 100,000*l.* Can persons be said to write elementary books on Political Economy, when they omit to trace this circumstance to its source, or, at best, merely dispose of it as a casual difference of customs. What are customs? Do they not affect the most essential part of the

whole science, the consumption of material or immaterial objects? I freely acknowledge that I have been much surprised to find M. Say, whom generally I regard in rather a different light from most of his followers, persist in this doctrine, whilst very little observation must surely have awakened considerable doubts upon it in his mind. In his visits to England, has he never been struck, and that forcibly, with the tone of conversation prevalent in almost every company? Has he not perceived, with scarcely an exception, that whenever a stranger is mentioned, one of the first questions is, What is he worth? In accordance with this reigning feeling, projects for making money are eagerly canvassed; and can M. Say for a moment doubt that the discussion of such topics in almost every English circle throughout the evening, causes a vast influence upon national prosperity? From the very high standard of wealth established in England, unremitting exertion is requisite to come up to it, and in consequence there is little leisure for any other pursuit: what is uppermost in men's minds, is likely to be always most adverted to. I speak not this invidiously. I would merely appeal to M. Say's candour, and demand if this characteristic does not immensely influence the powers of production. Does it not impugn his theory, and establish as preposterous the position, that men feel alike disposed to exertion under all circumstances?

Having thus demonstrated to M. Say, how very

differently the powers of production may be acted on, let an observation be now applied to consumption, without which the former would soon relax in its efforts. Suppose we go to Paris. Why, I would ask, do many men of repute live at the height of six or eight stories, with accommodations comparatively mean, whilst men of similar rank in London are particularly careful to have all their appointments complete, and appearances respectable? In the one case, from wealth being estimated on a lower scale, the same morbid anxiety about the opinion of the world by no means prevails. A Frenchman finds not that such a mode of living militates against his general estimation in society; the Englishman, though he may be occasionally inclined to smile at many items of expense he is obliged to incur, knows well that it is wisdom to comply. He has sons to settle in the world, daughters to marry; he is therefore obliged to conform to popular custom, or his acquaintance would desert him.

Now our main object is to observe how this operates on consumption. The slightest attention must show us the vast additional quantity of commodities this state of things will bring into demand. If then the tone of society in England has engendered extensive powers of production beyond that of France, so equally, by a reaction, through a combination of circumstances, consumption is in a certain degree made to keep pace with it. To every class of society will this ultimately extend. Whenever men discover that respect is yielded them accordingly as

they are supposed to possess something which is held in universal estimation, they will endeavour to be distinguished for that something. When wealth is chiefly prized, all would wish to be deemed rich: and here is the true origin of all those artificial habits, which descend step by step to the humblest classes. When a community is advanced in refinement, a man can only be judged by his outward appearance. In this state, he will spare no sacrifice, not even that of virtue itself, rather than endure the contumely of those with whom he associates. Each seeks to command the respect of his neighbour—this respect is accorded proportionably to a man's appearance—and thus imitation becomes universal. If the merchant be stimulated to imitate the landed gentleman, the tradesman feels equally inclined to copy the merchant. In every well-constituted society, where the middle orders are numerous, the various gradations are almost imperceptible. Next in succession to the tradesman and master-manufacturer, come the superintendants of work and inferior retailers. The attention of these is still constantly fixed on those immediately above them. Then come the superior operatives; after them the great body of mechanics and artizans; lastly, the mass of common labourers: all to a certain degree influenced by one controlling impulse, that of imitating the class above them.

Improvement obviously originates in the highest classes, and there is as clearly a tendency for its

natural descent to the lowest. Its operations, which might at first have led to the adoption of superfluities, insensibly establish themselves, and assume the character of necessities. Thus the humblest labourer comes to regard many expenses as indispensable, which his forefathers would have deemed luxuries, as uncalled for, as they were unsuited to their condition.

Such appears to be the history of those causes which have elevated the great mass of the English people above every surrounding nation. No man of mature life, or much acquainted with society on the continent, can deny the general accuracy of the parallels here adopted for illustration. But these views may be brought immediately home to every man's mind, without the necessity of referring to a remote period, of travelling to foreign countries, or even of putting hypothetical cases. There are many men living, and those too not grey-headed, whose personal observation has witnessed how varied are the progress and the operation of the leading incentives both to expenditure and to accumulation in this country. He has but to call to memory the instance of any two towns, situated in different districts—their industry, about thirty years ago, and their natural advantages, assumed to have been equal, but their circumstances now widely dissimilar, from the momentous changes which have since occurred. Let the first dawning of the prosperity of the town which has thriven be accurately

traced; let the effects of the large fortunes realized by some of its inhabitants be fairly investigated; and then the master-spring of human action will be fully discovered. If the observer has been intimately acquainted with the leading families; if he has mingled in their domestic circles; I appeal to him if the remarkable success of some neighbour has not supplied the constant topic of discussion; and whether, with its collateral train of consequences, it has not perceptibly spurred them from their own comparative indolence, stimulating them either to increased exertion in themselves, or the inculcation of such feelings among the rising branches of the family.

In viewing the whole of the improvements, direct and contingent, thus produced in families, let an attempt be made to dive into their impelling causes. In small communities, the failings as well as the virtues of our nature are best exemplified. I conceive it would then be acknowledged, that the various causes which conduce to opulence exhibit not that simplicity and regularity generally imagined, but that they are refined, subtle, in some respects indefinite, and capable of astonishing variation. Proceeding on this analysis, and in conformity to the deductions of the theory laid down, we may perceive habits, from the highest to the lowest description of people, undergo a mighty alteration. The dwellings of the poor exhibit their glazed windows and their chimnies. And in the interior,

the walls are white-washed; noxious exhalations are prevented; the bed has its blankets; the apartments, generally, display furniture of an improved description; and numberless other amendments in personal, as well as domestic, comforts are introduced.

For the sake of contrast, let us now advert to the town we put into the opposite picture with that whose prosperity we have thus traced. In this second instance, improvement has been insignificant; and many such places are still to be found in Great Britain. Here we witness indifference and apathy paralyzing every thing like exertion. The aspect of the inhabitants themselves differs from the vivid alertness of men actively employed. The general characteristics here are, a sluggish gait, and a disposition to form groups for idle gossip, and to indulge in the seductions of leisure, instead of a vigorous application to business, the ultimate cessation from which is leisure in reality. Can any one doubt for a moment the influence of habits such as these upon the community? Let it not be urged in excuse, that this town is not equally well situated for commerce—the parallel sat out with the supposition of equal advantages in both.

The case is one very far from imaginary. Many places could be named, surrounded by good land, and enjoying cheapness of food and every facility for trade, and yet such places allow themselves to be left at immeasurable distance by others deficient

in the one-half of their own natural advantages. What, then, is the reason of this difference? Are the appetites, the tastes, the dispositions of the inhabitants of the two essentially dissimilar? By no means, —human nature is, in the aggregate, undeviatingly the same; but the passions have not, in an equal degree, been worked on. There have, in the one case, been no great exciting stimulants—emulation or envy has not been awakened—and inertness still pervades the whole. The nature of the excitement to which we have here adverted, may be, and, indeed, generally is, quite accidental. This is a consideration which cannot be too strongly inculcated. It may proceed from a solitary example. Instances could be produced of a single West Indian, of large fortune, settling in some country town, and entirely changing the tone and current of men's ideas as to property. The young men have been suddenly seized with an ardour for emigration; connexions for prosecuting business have been entered into; suitable manufactures have been established; and the general result, now, I hope, sufficiently obvious, and so beneficial to the country, has regularly been produced.

If I were inclined to dilate upon this theme, I have some hope that I could explain the apparent anomaly exhibited by this country,—that notwithstanding her prodigious sacrifices during the war, she now displays a vigour, a power, and a revenue, exceeding the fondest expectations of all previous

ambition. Pending the many discussions respecting the bullion question, numerous theories were broached concerning war-expenditure, paper-issues, and depreciation, annuitants in the funds, extension of agriculture, wonderful improvements in machinery, to solve a problem deemed at variance with all received maxims of Political Economy. I apprehend that a deeper insight into the human character would have materially abridged those lucubrations with which writers have for more than a dozen years inundated this country. Many of their alleged causes of prosperity would be found to be transient, and utterly inoperative, at the present period. The amazing increase in the powers of production has, with the greatest reason, been assigned as the primary source of our advancement; but, in reality, this is reversing the order of things: the increase of production was the effect, not the cause, of the great demand. The history of the steam-engine and the cotton-machinery unanswerably demonstrate, that in each gradation of their improvement, the unparalleled rapidity of orders was the true cause of stretching to the utmost the ingenuity of their inventors. According, however, to the principles developed in this Section, the solution of the seeming paradox is rendered easy.

The wants opened to us from captured territories, and from many other causes, led persons, one after another, to embark in trade, to an extent, and with

a degree of success, never before witnessed nor even contemplated. Through agricultural prosperity, the standard of wealth became elevated, and has continued so to this day. This has, of course, led to a corresponding increase in all the material products which constitute wealth. In every light, therefore, in which this vitally important subject can be viewed, we detect the fallacy of those tenets hitherto maintained by speculative writers relative to the causes of production. Connected with the same theory, arise, naturally, countervailing errors regarding consumption; and, deduced from the exposition employed, we arrive at the great fact, that the habits of the lower orders, at all times mainly indicating the civilization and prosperity of a nation, are improved by a process very different from the increase of wages.

When, then, it is discovered that the true operation of improvement is so slow, and that so many real difficulties present themselves, how jealously should a nation guard her pre-eminence, and how important does it become in legislation to sift principles to the bottom, before adopting measures which, if grounded on an erroneous basis, may ultimately prove irremediable and fatal. High wages, when accompanied by a high mode of living permanently engrafted upon the manners of the people, are a great benefit. But persons reason most superficially, when they maintain that that benefit can be accomplished instantaneously; and

that the passions of men, by which it is accomplished, are so powerful, as to render it unnecessary to scrutinize other propensities of our nature.

It has been stated, in a preceding Section, that the working classes may improve in their mode of living, while the real remuneration of their services has diminished. Now, so far from this being merely a supposition, it has occasionally occurred in England. A few years back, the wages of the artisan, in some employments, if estimated in corn, or, if possible, by any invariable standard, will appear to have been less than they were half a century before. But did the expenditure of the artisan upon artificial wants retrograde within that period? Directly the reverse. He consumed gradually more and more commodities distinct from food. As society advances, the practice of paying men by quantity of work performed, and not according to time, obtains more extensively; and greater efforts are called forth, that increased enjoyments may be attained, and those wants gratified which it would be held disreputable not to satisfy. Had no such artificial institution as the Poor-laws existed, the beneficial consequences flowing from a general improvement in manners and customs would have been still more apparent. This branch of the subject has already been sufficiently elucidated; and if the injurious results be even greater than I have contemplated, I can only observe, that it affords still further confirmation of the wonderful efficacy with which cus-

tom and fashion operate to induce men, under adverse circumstances, to improve their mode of living. That such improvement has taken place, is rendered decisive by the fact, that within the last forty years the consumption of such articles as are distinct from food, chiefly used by the lower orders, has increased in a ratio double that of the population. If a person be sceptical as to the aggregate returns of a nation's industry, he need only look into the dwellings of the poor, and examine their domestic economy, and he will be speedily satisfied. It is, nevertheless, a most important object still further to elevate their condition; but, here, I apprehend, as in most matters of political economy, we should only remove cumbersome impediments, and not be guilty of too officious or anxious an interference. Perhaps, in the whole range of the science we could not discover so much popular error as in the generally-advanced opinion regarding the assistance to be bestowed upon the condition of the poor. In this age of general philanthropy, plans are continually put forth, showing the mode we should pursue to assuage their common hardships. Enlarged and enlightened benevolence, however, will pronounce those plans, it is to be feared, both visionary and impracticable To raise the wants of a labouring man, is easily proposed; and writers dwell as complacently on the theme as if they had only to utter a few common-places on the subject, and straight the thing were done. Unfortunately, real

difficulties present themselves; masters, it is acknowledged, may do much. The effects of clerical influence, throughout each pastor's respective sphere, would prove still more advantageous. But, after all, it is to be avowed, that but little can be done. Enlightened views can only prevent errors—and here much is accomplished. One great maxim, indeed, if carefully observed, might serve as a guide for our general conduct. Let a man appropriate as much of his expenditure to articles apart from food as possible. I do not speak of instantaneous outlay: he may save if he please; but those savings, to be ultimately beneficial, should certainly be ultimately applied to some object other than that of mere subsistence. Agreeably to this doctrine, mechanics' institutes, public libraries, and benefit societies, cannot be too generally encouraged. But let there be no eleemosynary maintenance—the moment that the rich come forward with their subscriptions, the main advantage is destroyed.

These reflections have here found a place, because in the present situation of the country, they involve considerations of peculiar interest. We have, as has already been shown, far surpassed the other countries of Europe, in the improved condition of our labouring classes. It would occupy too much space to delineate the relative progress in industry and in civilization amongst all those states who may be considered as our commercial rivals: one country, however, there is, which, if left unnoticed,

might be adduced to controvert our general reasoning.

The United States of America present so unequivocal a demonstration of prosperity, that economists love to expatiate on the abundant proofs it affords of the unlimited powers of production, and of a corresponding disposition in men to advance their condition. There, they exclaim, we witness the greatest ability to accumulate, and, accordingly, accumulation proceeds there on the largest scale. Now, this, so far from invalidating the tenets I maintain, will, on a little reflection, materially confirm them. British emigrants gave the first tone and impulse to the industry of the Americans. They carried with them uncommon ardour, unconquerable energy, uncompromising independence. The scale of their exertions, their indulgences, and their wealth, was always graduated by that of the parent state. The emulative impulse was early and efficaciously excited; nor had it ever the faintest tendency to diminution. Each successive generation felt itself impelled to added energy, commensurate to the general advancement. In fixing, as it has been termed, the standard of opulence, they took this country for their model. Owing to the close connexion existing betwixt us, the constant intercourse between Liverpool and New York, many mercantile houses having establishments on both sides of the Atlantic, it may be strictly said, that one and the same passion for riches animates both.

From possessing, too, one common language, manners are assimilated. Many of the early settlers were younger branches of reputable families. They had been accustomed to, and therefore knew how to estimate, the enjoyments of civilized society. Thus artificial wants obtained upon a scale very different from that usually pervading an infant country, whose inhabitants derive no assistance from extraneous associations, but have to work their way almost insensibly to civilization and refinement. He who has ever traversed the Union, and observed the diversity of exertion displayed in its various districts, so contrary to reasonable conclusions, were natural advantages alone considered, must here recognise the true causes of American prosperity. If he proceed to the adjacent Spanish states, what a striking contrast is exhibited! With unequalled fertility of soil, and with abundance of every requisite for the most extended traffic, the inhabitants appear sunk in apathy.

Let it not be urged, that this contrast is attributable solely to the disparity in their enjoyment of civil liberty. Though it is impossible to estimate too highly this greatest of all blessings, yet it is apparent that that alone could not produce so astonishing a disproportion in the industry of countries. It has not, indeed, in this inquiry, been deemed necessary to advert to it. Security of property is the grand, the only requisite. When this is wanting, no matter what may be in other respects the

political organization of a state, it is on no account entitled to rank among civilized nations. We should deceive ourselves, did we rely exclusively on our free institutions. The despotic potentate is learning, by degrees, that to leave his subjects' earnings unmolested, is the surest road to advance his own power. Industry is, at the present moment, diffusing itself, with unwonted vigour, through every rival kingdom. It, undoubtedly, behoves the British government to put forth proportionate energy. Many parts of the empire require altered management, to draw out to the utmost their physical capabilities. Speculative writers unceasingly exclaim, "Give full scope to the powers of production, and riches shall await ye, in magical abundance." My object has been a little to moderate this enthusiasm. If I have shown that opulence and civilization are not so easily attained, it follows that we should the more scrupulously regard the progress we have actually made. What I have attempted to elucidate, I conceive to be the keystone of Political Economy—it is the great basis from which all else should spring. To show how fundamentally it affects primary principles, and the general policy of a country, I shall, by way of contrast, and in conclusion, oppose an outline of my views to those of the writers who most conspicuously occupy public attention on this subject.

M. Say, Mr. Ricardo, Mr. M'Culloch, and Mr. Mill maintain that, nationally speaking, the desire

for wealth is absolute; and that where the power of accumulation is greatest, there the greatest accumulation will, of necessity, take place. I contend, on the other hand, that, speaking nationally, the desire of wealth is relative; and that the extent of accumulation depends on a variety of other feelings, not only acting differently in different countries, but acting differently in the same country at different periods.

These writers exhort government to the most unlimited encouragement of production—to assist the subject with every possible facility to the prosecution of traffic. They maintain that corresponding consumption will follow, and the state continually advance her power and greatness. My views are, that these measures are to be considered, not as useless, but inefficient; that it is necessary to work more on the MINDS of the people—that then, and not an instant sooner, we have the germ of future benefit.

In illustration of the one theory, countries are to be adduced, where magnificent roads and canals, docks, arsenals, and factories, with every other auxiliary to commerce, have been provided; yet no busy activity animates the scene; in place of piles of merchandise, we behold grass luxuriating, in mockery of their projector's ignorance. In support of the other, we witness the splendid career, the lofty pre-eminence, of England.

Visionary speculation, then, can scarcely hope to

make successful resistance against practical deductions. The range of public opinion in this country has taken a higher flight, and London and Liverpool now boast of works projected and carried into execution by private individuals, which far transcend national achievements of foreigners, executed by their respective governments. The whole energy of the country has been enlarged, and her people may indulge the honest triumph that all has been accomplished by themselves; whilst her institutions exhibit a proportion and a fitness to the objects sought, which bear collateral testimony to her well-established prosperity.

If I do not miscalculate the conclusions of the reader, I shall not encounter much difficulty in the deductions I am presently to draw from to what is here advanced.

I have now completed what I conceived the necessary outline of elementary principles. It is essentially requisite to investigate the nature of wages, in all its branches, for the smallest misunderstanding may cause the grossest error, when we commence the work of legislation.

PART II.

COMPARATIVE EFFECTS OF A FREE AND A RESTRICTIVE COMMERCIAL SYSTEM.

SECTION I.

EXAMINATION OF MR. RICARDO'S THEORY OF PROFITS, SUPPOSING THE NATURAL RATE OF WAGES DIFFERENT IN DIFFERENT COUNTRIES.

IT is an advantageous practice, and tends greatly to perspicuity, to confine ourselves in argument to the positions adopted by our opponents, when we perceive that they are in themselves sufficient to all our purposes of refutation. In the first part of this work it has been shown, that the high wages of England, as compared with other European countries, proceeded from two leading causes: First, because the natural rate of rearing labourers was higher: Secondly, because food was dearer. Agreeably to the analysis instituted, it appeared that the former greatly preponderated, constituting, it was presumed, five-eighths of the difference.

Mr. Ricardo, as is well known, laid it down absolutely, as a fundamental position, that high wages produced low profits. Now, having stated that high wages in this country proceed from two causes, I

shall, in replying to the champions of the modern school, for the sake of clearness, consider the influence of these causes separately. In this section I shall inquire how far a high natural rate of wages affects profits; and, for the reasons above stated, I shall confine the argument to certain peculiar postulates which distinguish the system of Mr. Ricardo. The reader is not at present to suppose that I either admit or deny their validity. If, on Mr. Ricardo's own ground, I succeed in refuting some of his positions, it is apparent that so far the fallacy of his theory is established, and needs no further inquiry. The enemies of restriction consider depression of profits as the overwhelming evil arising from the high wages under the present system. Capital, it is contended, must flow out of the country; nations among whom the profits of stock are higher will supersede us in manufactures, and our condition must gradually deteriorate. We perceive here the immense practical importance of this part of the subject; for if capitalists can be convinced that they labour under great misconception as to the causes why profits are low in this country, the clamour raised hitherto against the conduct of our legislature will speedily subside.

The peculiar theory of Rent adopted by the modern school, is the point to which we have first to attend. According to Adam Smith, the component parts in the cost of every article are resolvable into rent, profits, and wages. It is now, however, main-

tained that rent must be excluded, profits and wages alone determine the natural price of an article; and indeed as capital, on which profits are derived, is merely the accumulation from antecedent labour, it is said the cost, or, to speak more clearly, the exchangeable value, of commodities is solely determined by the quantity of labour worked up in them. To avoid any charge of misrepresentation, I shall give the words of Mr. M'Culloch on rent, who follows precisely the doctrine of Mr. Ricardo, at the same time that he has stated the case more concisely.

"On the first settling of any country abounding in large tracts of unappropriated land, no rent is ever paid, and for this plain and obvious reason, that no person will pay a rent for what may be procured in unlimited quantities for nothing. Thus, in New Holland, where there is an ample supply of fertile and *unappropriated* land, it is certain that, until the best lands are all cultivated, rent will never be heard of. Suppose, however, that tillage has been carried to this point, and that the increasing demand for raw produce can, in the actual state of the science of agriculture, be no longer supplied by the culture of the best lands, it is plain that either the increase of population must cease, or the inhabitants must consent to pay such an additional price for raw produce as will enable the *second* quality of land to be cultivated. No advance *short of this* will procure them another bushel of corn, and competition will not, as will be

immediately shown, allow them to pay more for it. They have, therefore, but one alternative. If they choose to pay a price sufficient to cover the expense of cultivating land of the second quality, they will obtain additional supplies; if they do not, they must want them. Suppose, now, that the consumers offer such a price as will pay the expense of producing corn on soils which, in return for the same expenditure as would have produced 100 quarters on lands of the *first quality*, will only yield 90 quarters; it is plain it will then be indifferent to a farmer, whether he pays a rent of ten quarters for the first quality of land, or farms the second quality, which is unappropriated and open to him, without paying any rent. If the population went on increasing, lands, which would yield only 80, 70, 60, 50, &c. quarters, in return for *the same expenditure that had obtained* 100 *quarters from the best lands*, might be successively brought under cultivation. And when recourse had been had to these inferior lands, the corn rent of those that are superior would plainly be *equal to the difference between the amount of the produce obtained from them and the amount of the produce obtained from the worst quality under cultivation.* Suppose, for example, that the worst quality under cultivation yields 60 quarters, then the rent of the *first* quality will be 40 quarters, or 100—60; the rent of the *second* quality would, in like manner, be equal to the difference between 90 and 60 or 30 quarters; the rent of the third quality would be equal to

80 — 60, or 20 quarters, and so on. The produce raised on the land last cultivated, or with the capital last applied to the soil, being all the while sold at its *necessary price*, or at that price which is just sufficient to yield the cultivators the common and average rate of profit, or, which is the same thing, to cover the cost of its production. If the price were above this level, then agriculture would be the best of all businesses, and tillage would be immediately extended; if, on the other hand, the price fell below this level, capital would be withdrawn from the soil, and the poorer lands thrown out of cultivation. Under such circumstances, it is undeniably certain that no rent could enter into the price of that portion of produce raised with the capital last applied to the soil. Its price is exclusively made up of wages and profits. The proprietors of the superior lands obtain rent, but this is the necessary result of their *greater fertility*. The demand cannot be supplied without cultivating inferior soils; and to enable them to be cultivated, their produce must sell for such a price as will afford the ordinary rate of profit to *their* cultivators. This price will, however, yield a surplus over and above the ordinary rate of profit to the cultivators of the more fertile lands, and it is *this surplus that forms rent*.

"An increase of rent is not, therefore, as is very generally supposed, occasioned by improvements in agriculture, or by an increase in the fertility of the soil. It results entirely from the necessity of resort-

ing, as population increases, to soils of a *decreasing* degree of fertility. Rent varies in an inverse proportion to the amount of produce obtained by means of the capital and labour employed in cultivation, that is, *it increases when the profits of agricultural labour diminish, and diminishes when they increase.* Profits are at their maximum in countries like New Holland, Indiana, and Illinois, and generally in all situations in which no rent is paid, and the best lands only cultivated; but it cannot be said that rents have attained their maximum so long as capital yields any surplus in the shape of profit.

"A quarter of wheat may be raised in Essex, or in the Carse of Gowrie, at perhaps a *fourth* or a *fifth* part of the expense necessary to raise it on the worst soils in cultivation in other parts of the country. There cannot, however, be at the same time *two or more prices* for the same article in the same market; and it is plain, that if the average market-price of wheat be not such as will indemnify the producers of that which is raised on the *worst soils*, they will cease bringing it to market, and the required supplies will no longer be obtained; and it is equally plain, that if the market-price of wheat exceeds this sum, fresh capital will be applied to its production, and competition will soon sink prices to their natural level—that is, to such a sum as will just afford *the common and ordinary rate of profit to the raisers of that portion of the required supply of corn which is produced in the most unfavourable circumstances, and with*

the greatest expense. It is by the cost of producing this portion that the average price of all the rest must always be regulated; and, therefore, it is plainly the same thing to the consumers, whether, in an advanced stage of society, the excess of return over the cost of production on lands of the first quality belongs to a non-resident landlord, or an occupier. It *must* belong to the one or the other. 'Corn is not high because a rent is paid, but a rent is paid because corn is high—*Because the demand is such, that it cannot be supplied without cultivating soils of a diminished degree of fertility, as compared with the best.*"—Principles of Political Economy, p. 266.

Rent being, consistently with these principles, entirely excluded, the cost of every commodity having exchangeable value, must, in all circumstances, be resolved into profits and wages. Now, the theory is, that profits rise as wages fall, and wages rise as profits fall; and the great object is, to explain how this is effected. It may be expedient to point out what is meant by *rise* and *fall*. I endeavour to use these terms strictly in the sense given them by Mr. Ricardo. It is very true that in his work great ambiguity arises from his imperfect, and, in some respects, confused notions respecting the principles of value. Contradictory propositions occasionally occur in consequence, which have given rise to some criticisms and strictures from contemporary writers. I have not stopped to notice those ambiguities, both because

they would occupy too much space, and, at the same time, because it is not at all necessary that they should come into the inquiry. In justice to Mr. Ricardo, it should be stated, that they apply to minute points, which tend merely to perplex the reader, while they, in reality, by no means invalidate the basis on which his system is founded.

The term *high profits* is at once understood, if we keep in view the real business of life; it is the rate of per centage obtained on capital. When profits are 50 per cent., they are high; when 5, they are low; when they descend from 10 to 5 per cent., they fall. The term, *high wages*, requires more attention, and it is most essential to set out with a correct definition.

1. Wages may be high as relates to the payment in *money*, or in the standard employed to regulate the interchange of commodities.

2. They may be high in the real reward, or command over the necessaries of life paid to the labourer.

3. And they may be high as regards their exchangeable *value*, contrasted with certain quantities in the mass of manufactures or commodities, in the producing of which labour is employed.

Now, when we speak of wages rising, we wish it to be understood that we do not refer to the *money* price, that is to say, the number of shillings received per day, because a man may receive 3*s*. per day at one time, and 5*s*. at another, and yet

there might be no rise in wages: the *money* might have varied, and not the labour. This certainly occurred in England during the derangement of our currency; and to those who are even very moderately versed in Political Economy, it will not be necessary to enter into further explanation.

Neither, when we come to the proposition that profits fall and wages rise, do we refer to the increase of *reward* given to the labourer: for example, should a peck of wheat, costing 3*s*. a-day, be the ordinary remuneration given to a labouring man, and should that remuneration be increased to a peck and a half, but still, from wheat being cheaper, this peck and a half costing only 3*s*., then the *reward* given to the labourer is increased, and, in some respects, wages might be said to rise; but this is not the sense in which we have now to consider a rise. There would be an increase in the market-rate of wages, but the economists will maintain that this must be only transient, the population principle would soon cause an alteration, and bring things to their former level. Such a rise, then, could not be properly applicable, when speaking of high wages causing low profits. This proposition contemplates an effect which is steady and permanent, and can, consequently, have no reference to what is accidental and of limited continuance.

The third meaning attached to the phrase "rise in wages," is that, then, to which we resort. Wages rise in *value*, when they sustain an advance as

contrasted with the great mass of commodities on which industry is employed. Suppose the labour of twenty men for six days exchangeable for ten yards of cotton, ten yards of woollen-cloth, ten yards of silk, and ten yards of linen, all combined; and suppose some change to take place, through which the labour of these twenty men for six days would exchange for fifteen yards of cotton, fifteen yards of woollen-cloth, fifteen yards of silk, and fifteen yards of linen; here wages would rise in value—a greater quantity of commodities is given in return for the same quantity of labour. It will make the distinctions enumerated still more clear to point out, that though wages rise when contrasted with commodities, they might fall, if taken in the other two interpretations here given. First, through an alteration in the currency—the twenty men, when their six days' labour exchanged for ten yards of cotton, woollen, silk, and linen, might have been paid at the rate of 5*s.* a-day; but when that quantity of labour exchanged for fifteen yards of the cotton, woollen, silk, and linen, they might be paid only 3*s.* a-day. In this case, if we view the *money* price only, wages fall. Secondly, although the twenty men might procure for their labour half as much more of manufactures in the second case as they did in the first, yet their condition, that is to say, the real reward given for their services might be much worse. They, perhaps, did not want silks, cottons, woollen, or linen—they wanted the neces-

saries of life: now though manufactures became cheaper, corn or food might become dearer in a much greater proportion; and hence, if we view the *real* reward received by the labourer, we must say, also, that wages fell.

It may be proper to observe, that some economists have employed the term *proportional* wages to express more clearly the manner in which profits depend on wages. By this is to be understood, precisely, the interpretation given to wages estimated not in money, corn, or any other single commodity, but in the *proportion*, that is to say, on the share of the commodities produced by the labourer, or of their value, which is given to him.

This exposition demands careful attention, as an accurate definition of terms is indispensably necessary to prevent misunderstanding or error, as we proceed in our analysis. It is fully allowed, in a general sense, that the effect of the bank restriction on our currency has now subsided; exchanges with foreign countries are adjusted to a general equality, as relates to the exchangeable value of the precious metals, considering the degree of fineness and purity of the coinage of the respective states, as well as their relative distance from the mines. It cannot now be said, that a Louis d'or is of more exchangeable value in France, than the same quantity of gold in England. So far as relates to the present time, the precious metals answer every purpose of a uniform and unvarying

standard. Any difference, therefore, between this country and France, in the rate of wages, it may once more be observed, cannot be referred to a difference in the currency. The attention of the inquirer is, therefore, disencumbered of any reference to the first of the interpretations given to the term high wages; though, in reality, judging from the state of things during the war, it is here that popular misconception has chiefly originated.

Modern economists also contend, as has been seen, that the population principle could never allow the market-rate of wages to be high in England, for any length of time worthy our attention.

It appears, then, fortunate, that not only are we to adopt the interpretation of proportional wages as explained under the third head, when we proceed to investigate the theory of profits falling as wages rise; but that also under this classification is comprehended the entire amount of the difference in wages at present prevailing between France and England. This circumstance tends greatly to preserve simplicity. Had we taken the period of the war, much confusion would have arisen from our Bank-note system. In the years 1817 and 1818, similar confusion in an opposite ratio would have occurred from the market-rate of wages being depressed unusually low. At present there is nothing of the kind, and according to the theory of Mr. Ricardo, Mr. M'Culloch, and all their followers, profits *are depressed in this country to the full extent that wages are*

higher than in France or elsewhere in Europe. Let an artisan in England have 30*s.* a week, and in France only 20*s.*, then to the whole extent of the operation of this difference are profits depressed.

I have endeavoured in the premises to be as explicit as possible; and I hope I have stated Mr. Ricardo's elementary points correctly, and in the sense in which they are understood by all the adherents of the modern school.

In proceeding with our analysis, from what has been stated relative to rent it appears, that we have only to consider the principles relating to profit and wages. From the absolute and universal manner in which the economists treat these subjects, considerable difficulty is often encountered, and very imperfect notions are formed by those not much accustomed to abstract inquiry. All the nations of the earth are considered as forming one great country, and the same reasoning is held applicable to all. Though this generalizing may be desirable in the abstract, yet it really demands considerable efforts of comprehension; with the generality of mankind confused ideas are continually arising relative to foreign trade, exchanges, and the producing of the precious metals, which greatly perplex the investigation.

In tracing then the operation of wages and profits, it may assist the reader not intimately acquainted with the tenets of the new system, to fancy a country entirely cut off from all foreign intercourse, and

having mines of gold and silver within itself. Here rent is established as above laid down; and as every treatise on Political Economy fully explains how indispensable is capital in procuring implements of industry in the very first stages of society, as well as the manner in which it is increased by accumulated labour, it will not be necessary to enter into any details to show its primitive operation. When civilization has made some progress, those engaged in productive industry are divided into two classes: the capitalist who provides the materials and funds for the manufacture, and the labourer who merely furnishes personal service. Now the cost of all commodities being made up of wages and profits, when those commodities are sold, or, perhaps, to express it better, exchanged, what is received in return must be divided between the master and the workman, in a certain proportion. Suppose the *entire* exchangeable value of an article to consist of 100 parts, of which the proportion given to the master at a certain time was 80, and 20 to the workman: let a change subsequently take place, and say the master got only 60, and the workman 40—it may then be said that profits fell and wages rose. As we are strictly confining ourselves to such an outline as is demanded by our present purpose, it will not be requisite further to enlarge. The statement of a few leading principles only is requisite, that some of the positions hereafter may be the more correctly understood.

It is evident that capital sunk for the production of manufactures varies in degree of *durability*. Our observations shall therefore in the first place be directed to those that are equal; and, secondly, to those that are unequal.

When capitalists of every class employ capital of exactly the same degree of durability, they must be all equally affected by a rise or fall of wages. In such case, it is impossible that an alteration in wages could occasion any variation in the comparative value of commodities one to another. Let us assume the wages of a labouring man to be at the rate of an ounce of silver the day, and that a silk manufacturer exchanged a yard of silk with the woollen manufacturer for a yard of woollen cloth. Now say that, from some causes, workmen's wages were doubled, or rose to two ounces per day. It is manifest the silk manufacturer could still only get a yard of woollen for his yard of silk. He could not urge the circumstance that he was obliged to give higher wages to his workmen, because the other would meet him with the same fact. No matter, therefore, how wages fluctuated, one yard of woollen would still exchange for one of silk. Should we estimate the wages of a working man in any other article of value than that of silver the result is precisely the same. Estimate them at a peck of corn per day, and assume an ounce of silver to exchange for a yard of silk, then, as before, let wages be raised to two pecks of corn, still the ounce of

silver would only exchange for one yard of silk, as the owner of the mine would be equally affected in the increased expense of producing his bullion, supposing the *durability* of his capital similar to that of the silk manufacturer.

Thus it appears that there would be no difference in real price. Commodities are always bought by commodities; and bullion, from which money is made, is in general principles affected precisely as other articles.

When, however, the capitals embarked are of different degrees of durability, fluctuation in wages causes different results. If wages were doubled, the manufacturer whose capital was sunk in fixed buildings and machinery calculated to last one hundred years, would be affected in his rate of profits differently from the manufacturer whose capital was sunk for only one or ten years. To set this in a still clearer light, let A, B, and C, represent three different descriptions of capital, A the least durable, and C the most so, B exhibiting a mean between the two. In the event of a rise of wages, it is plain that commodities produced by the different capitals, A and C respectively, could no longer be exchanged on the same terms as before; for the durability of the former being very short, or say it consisted principally of circulating capital, the effect produced would be instantaneous as regards the manufacturer, and to a far greater extent than would be felt by the proprietor of machinery

calculated to last a century. Those of equal duration would, of course, continue uniform; they would exchange in the same proportions after a rise in wages as before. If woollens and silk were each produced by capital of the durability denoted by B, a given quantity of the one would exchange for a similar amount of the other. It is the same with all other commodities, if they are produced under the same circumstances; that is, if the capitals employed are equal and returnable at equal periods of time.

This is a part of the inquiry of the first importance, for unless it be well understood, many of the results relating to a fall of profits would appear paradoxical. Money, as has been stated, is a commodity; but it is necessary further to consider, that in its production a capital is employed of a certain degree of durability, and that after any variation of wages it will continue to exchange for the same quantity of any other commodity, produced under the same circumstances as itself, yet a change in the proportions will obviously ensue in regard to commodities produced under different circumstances. Now the price of every article having exchangeable value is estimated in money, and as some of those articles are produced by capital of a greater degree of durability than money, and some of a less durability, their prices will be affected in a ratio directly opposed to each other. With some, money-prices will appear to fall, and with others they will appear

to rise; hence the seeming paradox which has bewildered so many of Mr. Ricardo's readers, that some articles may fall in *price* from a rise in wages.

To endeavour to make this point as clear as possible, let us suppose the class A to apply to commodities produced entirely by circulating capital or immediate labour; the class B, commodities produced, one half of fixed capital, and one half immediate labour; and the class C fixed capital entirely. The fixed capital supposed throughout is of a very high degree of durability, the wear and tear on which would be comparatively insignificant. If we assume it to last one hundred years, this is really the case; as a mere trifle yearly, not worth noticing in so long a period, replaces a considerable capital. If then we conceive wages to rise 6 per cent., all these different classes of commodities will be differently affected. Class A will feel it to the full extent of the 6 per cent.; B 3 per cent.; but C not at all. A, compared with B, would appear to have risen 3 per cent.; 6 per cent. if compared with C. B, if compared with A, would appear to have fallen 3 per cent., and to have risen, with C, in the proportion of 3 per cent. C would have fallen, compared with A and B, in the proportion of 6 and 3 per cent. Effects directly opposite would have ensued had wages *fallen*. It thus appears, that if we take any commodity for a *standard*, produced itself by capital returnable in a certain period, to estimate the relative value of other commodities, when wages rise,

all commodities produced by LESS durable capitals than those which produce the commodity taken for a standard will rise in exchangeable value, and all those produced by MORE durable capitals will fall. By common consent, the precious metals are chosen for this standard. Let B be supposed to represent it: then after the rise of wages A would have risen in PRICE, but C would have fallen. It may assist some readers to substitute in their own minds appropriate commodities in lieu of the alphabetical signs we have here for brevity sake adopted. Let A represent raw produce of the soil; B hardware; and C cottons, woven by power-looms. When a rise of 6 per cent. in wages took place, the raw produce would have advanced 3 per cent. in price, because, as has been seen, A rose 3 per cent. compared with B, and the price is *estimated* in B as the standard. On the same principle, the hardware would remain stationary, and cottons would fall in price 3 per cent. Perhaps there is no article in the predicament we have imagined cotton, produced entirely by machinery; but of course the more it predominates, the nearer it must approximate to the case supposed. Owing indeed to the different and continually-varying proportions in which capital, both fixed and circulating, and immediate labour, are employed in the production of commodities, it is almost impossible to point out the exact extent to which any given fluctuation in the rate of wages affects profits. It may, however, on the whole, be

stated, that in the aggregate of commodities, the number produced by capital less durable than the precious metals may be about equal to that produced by capital more durable.

Having thus explained the different modes in which price is affected by a rise in wages, in which the terms of the economists have been adhered to as closely as possible, a little reflection must show, that in every description of business, profits must ultimately be influenced to the full extent of the advance. At any one assumed period, there is a general equality of advantage or profit pervading every branch of industry; differences may, of course, arise according to the degree of risk, the irksomeness, the comparative respectability of the trade, and those various contingencies which have been illustrated in so masterly a manner by Adam Smith. But still, taking the average, and viewing the subject in an extended light, profits are uniform throughout the country.

Under these circumstances, therefore, whenever one branch of business becomes relatively less profitable than another, there is a tendency for capital to leave that business, and embark itself in one more productive. In a comparatively very short time, profits of stock are adjusted to their uniform scale; and when any alteration in the rate of wages ensues, no description of capitalists can hope to obtain higher profits than their neighbours, for any period worth notice, when we investigate

matters in an extended point of view. These principles receiving due attention, it appears to the economists demonstrably certain, that an increase of wages must lower profits. It has been shown, that the cost of every article is made up solely of wages and profits. Now, no matter what may be the number of its integral parts, you cannot increase the one without diminishing the other. All capitalists will, *ultimately*, be affected equally; and, although, to common observation there may arise some difficulty in discovering the result, if the attention be confined to the money-price merely, yet that difficulty is at once removed when we reflect that the owner of the mine from whence the money is procured, is equally affected with the rest, and is subject to the same laws in defraying the wages of labour. After an increase in wages has taken place, the first step, it might be conceived, would be immediately to transfer capital to more lucrative employment. But in the distribution of the various powers of production, there must be certain proportions consistent with the wants of the community. Should the relative cost of producing any one article be so far enhanced as to preclude purchases, the use of that article must be superseded. No proprietor of stock would persist in his business, if his returns were lower than those of his neighbours. But articles of primary necessity must always be produced, and these, from their very nature and extent of their con-

sumption, may be deemed to call for our chief attention.

The manner in which a rise of wages affects profits, and its multiplied effects throughout all branches of commerce, being, I hope, fully understood, the next great point is to inquire, what are the causes which lead to this rise. It is manifest that a great portion of the capital of a country must be devoted to agricultural industry; and it is equally manifest that capital will not, in any country, be vested in farming, at a less rate of profit than in other employments. The gradual increase of population requires additional land to be cultivated; and as the best land would naturally have been the first so appropriated, recourse must, eventually, be had to inferior soils. It has been shown that rent does not, properly speaking, enter into the cost of corn, but that the price at which it is sold is the cost of producing it on lands of the lowest degree of fertility actually appropriated, and the price is thus solely made up of wages and profits. When, then, recourse is had to a soil still inferior, there must be a greater outlay either in labour, or something else having exchangeable value, than would take place on a soil just one grade superior. In this juncture, the first thing would be an averseness on the part of the farmer to employ his capital less productively than before. The demand, however, for corn still increases; in time it outstrips the supply. As a natural consequence, this price, or, to express it

better, its exchangeable value, rises, and when it reaches a certain height, the cultivator finds that notwithstanding the diminished net return coming to him as his own share, he obtains merely the same rate of profit as is obtained by any other proprietor of stock. All other profits are thus brought down eventually to the level of that obtained by the farmer. Owing to a rise in the price of food, the expense of maintaining a labourer is increased. Should his condition not deteriorate, he must have command over a certain quantity of the necessaries of life. In every employment, therefore, the capitalists are constrained to give higher wages to their workmen, in which case, from the principles laid down, it follows as a universal conclusion, that profits must be reduced. Those descriptions of capital returnable at the same periods of time, will be from the first affected in equal proportions, but eventually all will be depressed to the extent of the rise in wages, and to the same scale as existed before the alteration took place. In vain would a manufacturer, or any other owner of stock, expect to keep up his former rate of profit. What plea could he urge in justification? Suppose he brought his goods to sale, that is, wished to procure *money* for them in exchange, and argued, that having paid his workmen increased wages, he ought to obtain a higher price. The producer of the money, the owner of the mine, would reply, that the very same circumstance affected himself, and that, consequently, he

could only give the same quantity of bullion in exchange as he did before any rise took place. When the manufacturer receives this money, and proceeds to make with it those purchases of other commodities which he requires for his own consumption, he finds that he receives, in the aggregate, precisely the same quantity of those commodities as he did before. Receiving, therefore, only the same returns, but giving higher wages, it is evident that his profits are reduced, and his relative condition in society is deteriorated.

A little reflection will demonstrate how *prices* are influenced throughout the different classes of commodities, which, for the sake of illustration and perspicuity, we have enumerated. Though, notwithstanding the alteration in wages, profits of stock will be ultimately regulated on a scale of equality, yet the relation of one commodity to another will experience much variation, according to the different degrees in the durability of capital. The value of wages, if estimated in raw produce, would seem to have undergone little variation; if estimated in money, we perceive a change, preserving about a medium as to commodities in general; but, if estimated in any article produced by capital of a very durable description, the rise of wages would appear great and striking. This latter article, in fact, from the reasons before given, would appear to have fallen in price. The precious metals, however, being chosen as the measure of value, and

their production being, as before said, in a mean between commodities produced by immediate labour, and those produced by capital of the extreme degree of durability, are the best criteria we could employ to ascertain the aggregate effects of a rise in wages.

We now perceive, from this theory, how wages are affected by a rise in the price of food, caused by taking inferior lands into cultivation. But Mr. Ricardo has not omitted to consider the other expenses of a labourer, exclusively of food. He affirms that a rise there is affected by similar principles, and that it equally tends to lower profits. This reasoning is founded on the position, that the production of every article resolves itself into the cost of the raw produce, and the quantity of labour expended in its manufacture. Suppose, for example, a labourer's coat to advance in price from 2*l.* to 4*l.*; according to Mr. Ricardo, if this, increasing the labourer's expenses, tended to raise wages, it would lower profits equally with a proportional rise in the price of food. If the increase in the cost of the coat proceeded from a rise in the raw material, wool, that must have proceeded originally from a rise in corn, because the latter is the chief article of agricultural produce, and as such, regulates the rest. If it proceeded from an advance in wages, the wages of farmers' labourers must, in the first instance, have risen. That proceeded from the taking of inferior lands into cultivation; and, as has been already described, this circumstance caused a diminution

of profits. It was therefore considered as immaterial, whether food, or the other articles used by the labourer, advanced; they equally led to high wages, and high wages, in their ultimate consequences, injured capitalists, and impeded national industry.

Every adherent of the new school has adopted the same views, and it may be useful in this place once again to recapitulate the different interpretations given to the term *rise of wages*, that the whole result may be perceived at one view.

First, There is plainly a rise in the money-rate of labour, and when the currency is established on a correct basis, it forms a proper standard by which to judge of the extent of the rise.

Secondly, There has been no rise in the real reward, or command over the necessaries of life, given to the labourer. On the contrary, wages, considered in this light, have most probably fallen. Raw produce, or commodities obtained by immediate labour, have not only, according to the principles developed, risen to the same extent as wages, but have had a tendency to exceed it. Here it is, in reality, that the first operation commences; and it is contended that, from the competition of labourers, we seldom witness an immediate increase of remuneration, after an augmentation in the cost of the necessaries of life.

Thirdly, With regard to *proportional* wages, or the value of wages estimated in the aggregate of commodities, and contrasted with what is received

by the capitalist, we find the result directly opposite to the conclusions if the reward given to the labourer be only viewed. Here it is that wages have risen, and here, in consequence, has the injury been visited on the capitalist. The money-rise shows the extent of that injury; and the result of this theory may be briefly exemplified, when we apply it to England, and state that, owing to taking inferior lands into cultivation, and keeping up a restrictive system, profits have fallen, proportional wages have risen, but the real reward to the labourer has diminished.

Fourthly, Though labour rises in price, yet commodities do not, for the great majority may be supposed to be produced by equal quantities of fixed capital and immediate labour.

To this length did Mr. Ricardo proceed, and here he stopped.

So far all appears plain, and perfectly easy of comprehension. Perhaps, from the brief manner in which the outline of the theory has been given, some difficulty may present itself to those readers who have not devoted much attention to this peculiar branch of Political Economy. On reference, however, to the works of Mr. Ricardo's various followers, further elucidation may be obtained; and I believe it will be found that I have adhered closely to a fair delineation of his leading principles. It appears to me, that the point at which he stopped is precisely that at which the real difficulty com-

mences. If this be true, it involves a rather serious charge, provided it can be shown that the remainder of the analysis leads to conclusions exactly the reverse of what he inculcates.

The great cause of high wages, it will be recollected, has been distinctly assumed to proceed from the state of agriculture in this country. Let us now examine the other causes of high wages, to ascertain if they produce the same effects on profits as result from a dearness of food. Here we refer to the artificial habits of the labouring classes. In an early part of this work the details exhibiting the actual expenditure of a labourer, were fully illustrated; and I conceive it to be capable of demonstration, that high wages created in consequence of an elevated mode of living, tend to raise profits instead of lowering them. It might at first view, seem that the high cost of those other necessaries required by the labourer, distinct from food, were already embraced in the doctrine of Mr. Ricardo, and that there its injurious effect on profits, appeared equally palpable. As, on the contrary, I assert, that a greater sum spent on such articles as clothing, is highly beneficial; it is important to indicate where the distinction lies. Let us pursue the instance of the article before employed for illustration, the coat. Suppose the labourer expends in its purchase 4*l.* instead of 2*l.* If custom require of labourers to wear coats, this tends, more or less, to raise wages; and, to facilitate the argument, I will concede that

it may produce on capital the effect described, and is injurious. Suppose, on the other hand, the price of cloth to remain the same; but that the labourer, in place of buying one coat, buys two. If the custom of society so far elevates itself, as to render the use of two coats necessary, where one formerly sufficed, wages will be equally raised; and, in place of profits suffering, they will be in a high degree benefited. It is in the manner here contemplated, that I wish to be understood, by speaking of advancing a labourer's mode of living. We are not to imagine him consuming an uniform quantity of commodities, and giving a higher price for them, but to consider prices as continuing the same, or probably falling, while he makes larger purchases, and extends them to articles of consumption to which he had been previously unaccustomed. The reason why increased wages, proceeding from this cause, are unattended by the same effects which follow a rise in the price of food, may be at once distinctly perceived, when we reflect that the leading characteristics in the production of manufactures and of corn, are directly opposed to each other. The productive power of the land diminishes at each stage of increased cultivation: the productive power in the fabric and fashion of manufactures scarcely knows a limit, its improvements are, in fact, of daily progression. The land has been compared to a series of machines, of which the best are first put in use; step by step those of inferior description are employed; and as

the cost of commodities produced by bad machines must be greater than those produced by good, so must the evils resulting from this state of things progressively advance. Manufactures are produced by machines also, but here the worst are the first invented; improvements are effected, which produce more work, with diminished labour and expense of capital. The old machinery becoming in consequence gradually superseded, the expenses of the manufacture are reduced, and the capitalist increases his savings. If there existed a boundless extent of land, of fertility corresponding to that last appropriated for cultivation, none of the economists would maintain that, in this conjuncture, profits could by any competition injuriously suffer. Should it then be established, that the custom of society renders certain articles as indispensable to the labourer as the raw produce of the soil, and if those articles could be produced to an unlimited extent, surely it is manifest that profits could not be depressed; since no owner of stock was constrained, like the farmer, in the previous instance, to devote a greater outlay by having recourse to machines of diminished power. Let us assume that at any imaginary period the article of stockings was not used in the families of labourers, but that such amelioration subsequently arose as to bring them into general use. Here would be a new employment for capital. The stocking manufacturer would certainly not, on commencing business, be satisfied with inferior profits to

those of other proprietors of stock. He must have his due price, or he would not produce the commodity. But it is assumed that the use of that article is indispensable to the labourer; he will, therefore, purchase it at whatever cost; and thus the capitalist will be released from any danger of having to be satisfied with inferior returns. The general rate of profit, in every branch of industry, tends, as has been seen, to a certain equality in relation to the nature of the employment. When, from unavoidable necessity, the rate in the most important and extensive branch declines, all the others must follow. But in the case now under discussion, the change in the remuneration given for labour leads to no such alternative; a conclusion obviously consequent on the principles adopted by the economists themselves, that profits can never be reduced if the last quantity of capital be so employed as to yield returns equally productive with the first. Let us take, for example, any country possessed of a certain quantity of land, and suppose an increase of wages there from improved habits, through which there is a greater demand for manufactures. To whatever extent wages may rise, there is a proportionately additional means presented for the employment of capital. Wages would not have risen had not the labourers increased their consumption of those material objects possessing exchangeable value; and in the same ratio that the consumption of those material objects has increased, precisely has the field been

enlarged to the capitalist for the employment of stock, on terms not less productive than that employed in the first instance. Whether the rise be a fifth, a fourth, or a third, of the amount of wages, to that extent is the increase of new objects of industry presented, or, what is the same thing, the demand for old ones increased. It is important to remark, that though profits are thus not in the least depressed, yet commodities will vary as to the proportions in which they exchange one to another, according as they are produced by capital of the various degrees of durability. If, before the change took place, a certain quantity of cotton goods exchanged for a certain quantity of raw produce, subsequent to the change a greater quantity of cottons would be given, because, in determining the cost of this latter commodity, in relation to the other, a less quantity of immediate labour, where the rise has occurred, entered into the production. The rate of profit, however, in each employment will adjust itself to the level uniformly prevalent in the community. There being, in the first instance, no compulsion for any one capitalist to reduce his profits, we are not to presume that such would be done voluntarily. If one man found that the net returns obtained upon his stock fell short of those acquired by another, he would change his pursuit; and if we grant the position, that it is imperative on the part of the labourer to possess certain additional articles beyond his previous habits, it is evident that what

they thus acquire is clear gain to the country, and entails no possible injury on the other classes. This train of reasoning may be put more tangibly, if we combine the whole of its relations, and contemplate it nationally, which is indeed the scale on which we should always view questions in Political Economy. Let us take the entire income of a country, say Great Britain, to amount to 200 millions annually, either of pounds sterling, or of hats, or anything else possessing corresponding exchangeable value. This exhibits the annual production of those material objects which, properly speaking, constitute wealth. Suppose the distribution of these 200 millions to be as follows:

Landlords	40
Labourers	90
Capitalists	70
	200

Now let an improvement take place in the labourer's mode of living, through which that class requires 10 millions of commodities additional. Here the wealth of the country is obviously increased 10 millions, the annual production of material objects being augmented to 210 millions, of which the labourer takes 100. But 70 millions are still allotted to the capitalist; and though wages have clearly risen, how is it possible to contend that the rate of profits has been reduced. If Mr. Ricardo's position were correct in this instance, that profits fall as wages rise, the proportion of

the annual production distributed to the capitalist should have decreased from 70 to 60 millions. The relation of the labourer to the capitalist has no doubt varied, but it has not varied in the manner asserted by the modern economists—the one advancing, and the other retrograding. The former alone has advanced, while the other has remained stationary; in which case, while the general interests of the community have been benefited, no injury has befallen any one class. When an augmented remuneration is thus given to the labourer, it is not to be inferred that no influence is exercised on prices, taking commodities in the aggregate. The disciples of the modern school, as has been seen, maintain that a rise of wages creates no rise in prices. Prices, properly speaking, relate to a certain commodity employed as a measure of value to compare one description of commodity with another; and as it varies, itself, in value with a rise in wages, commodities compared to it must bear the same proportion as before the rise. It is true that from the different degrees of durability of capital employed in production, some commodities vary more than others; but it will be recollected that the standard chosen to measure value was considered to preserve about a medium between those that rise and those that fall, and therefore it may be said in the aggregate that no rise ensued in prices.

In the case, however, which we have assumed, of a rise in wages caused by an improved mode of

living, the price of all commodities, in regard to the standard by which prices are estimated, also rises ; and the elucidation of this principle will, I hope, set the correctness of our doctrine in a clear and decisive point of view. Prices are computed in gold and silver. Now if the improvement in the mode of living extend not to the labourers employed in procuring the precious metals, wages will in that employment be lower than in all others ; and if the profits of stock are equally adjusted, the owner of the mine can afford to give relatively more of his bullion in exchange for other commodities than he could prior to the advance in wages. All those other commodities will consequently be advanced in price. A pair of stockings, which formerly exchanged for an ounce of silver coined into 5*s.*, will now probably exchange for an ounce and a quarter, coined into 6*s.* 3*d.* The price before was simply 5*s.*, now it is 6*s.* 3*d.* On similar principles are all other commodities affected.

In several of our illustrations we have, for the sake of simplifying, supposed the mines yielding the precious metals to be within the country where the comparison has been instituted. Let us now enlarge a little, and consider what is really the case, gold and silver being the produce of distant countries. This circumstance plainly effects no difference in the principles which regulate its production. We always obtain it in exchange for other commodities. We require a certain quantity for plate, and wear

and tear of the coinage, and we accordingly send abroad as much of our cottons, woollens, and other articles as will purchase what bullion we require. If then wages are comparatively high in this country, from our labourers being comfortably clothed and lodged, while those who work in the mines abroad have little beyond the bare necessaries of subsistence, it is evident, as has just been explained, that the articles produced by us will be dear in comparison to the gold and silver. But gold and silver are not only the measure of value between these two countries, but form the medium in the dealings of all other countries; and accordingly, in those places where labour is not so well rewarded, commodities will be cheaper, though the rate of profit remain unaltered. Here lies the great distinction between our doctrine and the Ricardo theory.

From the increase of wages created by the labourer's increased consumption of commodities, there has been no necessity to lower the rate of profits. The capitalist, therefore, when he goes to exchange the articles of his own production for foreign produce, demands that price, or, in other words, that quantity of foreign produce, which will, when brought home and sold, afford him the same profit to which he has always been accustomed. In a word, prices rise. No, exclaim the modern economists, profits fall as wages rise; you mar the beauty of our theory, if you disprove this proposition—there is no rise at all in prices, for what you

have given to the labourer is taken from the master. Here we disagree: I find the capitalists in precisely the same situation as before, but the labourer greatly benefited; and in such case it is apparent that the prices of our commodities must be higher in relation to those of countries where labour is cheaper.

It is not for a moment to be imagined that high prices expose us to no disadvantages, as a manufacturing nation. It is at once conceded, that they contract to us the field of competition, and subject us to the risk of having our merchandise undersold in foreign markets by those rivals with whom labour is cheaper, and who are engaged in the same description of productive industry as ourselves. Men whose subsistence is limited to potatoes and water, and whose nakedness is scarcely covered, can render their labour at a much lower price than men who require, and receive, the comforts of life. But still some circumstances combine, which tend to lessen the disadvantage. Through the improved condition of the labouring classes, at all times forming the chief mass of consumers, there is a brisk demand for foreign commodities. A large importation will consequently ensue. Payment must be made by commodities produced at home. As all prices have risen, some difficulty might be encountered in preserving our connexions abroad, and procuring the interchange of merchandise, on terms mutually approved; if such could not be done, the intercourse must gradually dimi-

nish, and have a tendency to cease altogether. But our manufacturers, or capitalists, having, from the rise of wages, sustained no injury, their ardour, assiduity, and enterprise become whetted by the difficulties opposed to them; invention is aroused; the labours of ingenious men are brought to their assistance; new machines are discovered; innumerable modes devised to abridge or to facilitate labour; and the result produces such a saving in the cost of production, as enables us to maintain competition with rival nations, without the least diminution of our commerce. No derangement of our trade ensues in regard to the precious metals. From the first commencement of the operation of the rise in prices, as our goods become dearer, gold and silver must fall in relative value. If this continued for any great length of time, it would undoubtedly affect our exchanges with other countries, and derange our commerce. But from the impetus given to invention, in order to abridge labour, this circumstance, after a short period, scarcely prevails; at least, such has hitherto been the case in this country. Here is developed the manner in which machinery is introduced. It may, in this place, be once more stated, that such discoveries arise, not from the lecturing of speculative philosophers in universities, but, so far as the useful arts are concerned, from practical men engaged in the details of business. The opinions held by the adherents of the modern school, upon this head, are peculiarly

unsatisfactory. Mr. Ricardo argues that the possessors of machines, viewing the subject generally, do not derive exclusive advantages; for if profits be higher in that department in which they are used, other capital flows into it, and thus brings about an equality. He also maintains that, after a fall of profits has taken place, persons about to enter on a business requiring a large amount of capital sunk in fixed buildings, or durable machinery, would be, in a certain sense, subject to greater disadvantages than those already in business. Along with the progressive rise in labour, though agreeably to his theory the returns of the latter would be less from the greater cost now required to erect their buildings, yet their capitals would relatively increase in value. (*Ricardo*, p. 124.) Those persons, however, just commencing, would have no such consolation under a low rate of profit. With the *prospect of improvement*, the inducement to sink much capital in business would, in reality, be weakened. Should profits rise,—why, then, according to this theory, wages fall; the exchangeable value of the buildings, works, or machinery, erected in the unprosperous period previous to the change would likewise fall, as the same works or machinery could now be put up at a relatively less expense. Consistently with this reasoning, how do we account for the astonishing improvements witnessed in England? When is it that inducements exist to improve machinery? Assuredly, as is on all sides admitted,

when the price of labour is high. I put it, then, to the practical manufacturer to decide, which is most consonant with facts, the Ricardo theory, or that which I oppose to it. The former maintains that, on a rise of wages profits fall, yet prices remain the same; and, consequently, because the prospects of the capitalist are bad, improvements are effected. It will be kept in mind, that Mr. Ricardo contends, that the advantage of these improvements accrues to the consumer; and, also, that if prosperity revisit the capitalist, those who introduced them at the juncture at which they were wanted, will find the value of the capitals so sunk reduced considerably. On the other hand, let the doctrine I have put forth be examined, in which it is assumed, that no compulsion exists to require one man to receive less net return than another. Here profits remain the same, prices rise; and, consequently, all the producers being, as it may be said, in good heart and spirits, every mode within the reach of ingenuity to devise, is adopted, to prevent foreigners from underselling us. I anticipate, from those best capable of judging correctly, a verdict in my favour.

I freely concede that our advantages are contingent and artificial, inasmuch as works and machinery to the same extent can be introduced among our rivals. It is the proper estimate of this consideration which should make us doubly cautious how we risk the pre-eminence we now enjoy. Should those rivals obtain machinery as effective as our own, we

must be, eventually, superseded in our manufactures. The examination of this particular, occupies a considerable share of the remainder of our task. At present, we are discussing the modern theory of profits, which are supposed uniformly to fall as wages rise. I have endeavoured to demonstrate the contrary, when the rise of wages is caused by a superior mode of living. It may be important to remark, that Mr. Ricardo has, himself, admitted the correctness of my views, in an accidental observation of his in treating of the Poor Laws; he appears to have done so unconsciously, and could never have been aware that it invalidated much of the basis on which his theory is founded. In speaking of the propriety of levying the poor-rates on the manufacturer, he observes:—

"This additional tax, if it fell with peculiar severity on manufacturers, which it does not, would, under such circumstances, be added to the price of their goods; for there can be no reason why their profits should be reduced below the general rate of profits, when their capitals might be easily removed to agriculture."—*Principles of Political Economy*, p. 306.

A little reflection here would have exhibited, that a rise in wages does not necessarily lower profits. Suppose this tax, instead of being distributed amongst paupers, were expended on increased wages to the labourer, to enable him to compass additional indulgences. In this case would not

wages rise, and how would the manufacturers suffer? As Mr. Ricardo very justly observes, they would change their employment, and if one person were not constrained to take smaller profits than another, prices would rise; which is precisely the conclusion to which I have all along been aiming.

It may be proper to enter into some explanation to counteract the possible impression, that the elevated mode of living contemplated, and the labourer's consumption of additional articles of comfort, would be to too limited an extent. It must not then be supposed to be confined to articles of clothing, of furniture, or whatever else is distinct from food. We are to include all articles of foreign produce, such as tea, sugar, tobacco, brandy, rum, in fact every thing used by the labourer, which is not of home growth. The reason is apparent. All these are bought by commodities; and the manufacturer, as well as numberless others, are more benefited by having to export their goods, than if the goods were directly consumed at home. The least reflection must show the powerful scope thus created for industry. Economists of consideration are well convinced, that to import largely the necessaries and luxuries of foreign climates, is the mode best adapted to increase our exports. Who then are the great consumers? Unquestionably the great body of the labourers. What has so prodigiously swelled the commerce of Great Britain? It is the comfortable condition of those labourers, which requires so great

a variety and quantity of commodities to minister to their enjoyment. And yet in the midst of this operation we are told that, owing to the very causes of the increase of trade, profits fall. Surely amongst all the contradictory tenets of the modern economists (and they are neither few nor small) there is none which surpasses this. But when once men soar into the realms of speculation, who shall say where they will stop? They spurn the limits of ordinary comprehension, whilst, with singular inconsistency, they still profess to keep experience and facts in sight.

With regard to population, I trust that throughout this analysis, the principles I have developed have been properly estimated. Many might at first sight conceive, that liberal remuneration to the labourer, arising from a high scale of artificial habits, could only be accidental and temporary; an increase of labourers being eventually produced by it, which would restore things to their previous level. It has, I hope, been satisfactorily established, in the third section of the first part of the work, that this opinion is unsound, and that population may be so adjusted to the demand for labour, as to PERPETUATE a high *natural* rate of wages. A high *market* rate, it is granted, is but temporary, and should not be taken as a foundation on which to build general reasoning. I have not in this section alluded to it; and far from conceiving it beneficial, I believe it can never, speaking generally, lead in itself to a high natural rate. I have taken every pains to elucidate

this important and vital point; and I would wish it distinctly understood, that when mention is made of a high mode of living of the labourers, it is meant to be taken agreeably to the manner laid down in these pages, and as leading in consequence to a high NATURAL rate of wages.

We have been hitherto content to maintain that the operation of high wages, proceeding from this cause, visited no detriment on profits. This limited result was acquiesced in, to preserve perspicuity, and to prevent the clashing of various ideas. We are, however, in reality, justified in going much farther. Not only, as has been already intimated, is the increased quantity of capital employed as productively as before, but it has a tendency to be employed even more productively. It will be recollected that the production of manufactures is directly opposite to the produce of the soil. Benefits derived by the capitalist in the former seem more or less of incessant occurrence. Let us suppose, at any given period, a rise in wages: agreeably to our doctrine, there being no inducement to lower profits, prices would rise until invention of some kind caused a reaction. But improvements would not stop there. Others would take place daily, of which the capitalist would derive the sole benefit, at least until some further change occurred in prices. This must be the case in every stage of advancement. A cotton-mill built this year is better constructed, and made on more approved principles, than those erected the year be-

fore. In every other branch of industry where a large fixed capital is required, the same reasoning applies; more work is finished at less expense. The proprietor derives the saving; and if we admit the principle which I think has been established, that when wages rise from labourers requiring new articles of consumption, no person is constrained to curtail his net returns, it is clear to demonstration, that through the continual improvements in the machinery used by capitalists to furnish them, profits will be augmented.

If this conclusion be correct, it is easy to perceive its immense practical importance; and how essential it is to keep all its complex operations in view, when legislating upon Trade. High wages caused by dearness of food, and high wages proceeding from an ameliorated mode of living, lead to results directly opposite to each other. With respect to the former, to prevent misapprehension, some explanation was given regarding the different modes in which wages were influenced according as we interpret the epithet "high," a term too often ambiguously used and erroneously understood.

It may exhibit the contrast more clearly, to adopt the same course with the latter: and,

First. The money-price, as in the former instance, shows the rise in the exchangeable value of labour as compared with the precious metals, the commodities employed to measure value.

Secondly. The real reward, or command over the

necessaries of life, given to the labourer, has obviously increased.

Thirdly. As either new commodities are created, or old ones augmented, by the superior mode of living of the labourer, there is clearly an increase of natural riches. No alteration necessarily ensues relative to the distribution of what was formerly in existence; a piece of velvet, or embroidery, or any other article not in use among labourers, retaining its former proportions in what belongs respectively to wages and to profits. There has been no compulsion to reduce the latter, and if the capitalists give more wages to their workmen, they demand higher prices in return. This is merely supposing the effects consequent on the change as equal; but as has been shown, there is a tendency, in producing manufactures, for savings to be increased; less labour is then required, and the proportional wages expended on the production of any one article fall whilst profits rise.

Fourthly. Prices in the first instance rise, when computed in gold or silver, or compared with foreign commodities; but from the prosperity participated by all capitalists, invention is stimulated, and improvements are introduced, which prevent foreigners from underselling us, and enable us not only to retain our trade, but considerably to enlarge it, from the improvement in the condition of our great mass of consumers.

It may, perhaps, be demanded, why may not

prices equally rise when the price of labour is advanced by dearness of food: and why may not the evil be corrected by improved machinery, as here described? The question certainly seems pertinent, and demands attention. It will be remembered, that in the one case there was no increase to national riches. In any different distribution of those riches, therefore, which could ensue, whatever was taken from one class must accrue to another. Let us resume the example already adduced. Suppose the entire produce of the country to amount to 200 millions sterling, thus distributed:—

To the Landlord	40	to purchase a quota out of the entire commodities of the country, equal to	200
Labourer	90		450
Capitalist	70		350
	200		1000

This assumed sum of 1000 represents the entire amount of national products of the country: raw produce, necessaries, luxuries—every thing, in a word, desirable to man, and possessing exchangeable value. Suppose further, that out of this 1000, a quantity to the amount of 200 were exported, for which, commodities of corresponding value were received in return. Now assume a change, from a rise in the price of corn, owing to which the labourer requires 100 instead of 90, to purchase those necessaries represented by the number 450, to which he had been previously accustomed. In this juncture, the

landlord being excluded from the case, for the reasons assigned regarding rent, the capitalist, it might be imagined, ought to raise the value of his commodities, to prevent his own interests from suffering. But the entire amount of commodities consisting of 1000, unless that number can be enlarged, all attempts to raise their real value and make it permanent must prove futile; commerce being the exchange merely of one article for another.

Let us now view the individual capitalist, and see if, leaving out the consideration of total value, the same rate of profit in proportion to the amount of capital could be preserved. To attain this end, the only resource left to the capitalist is to enlarge his savings by improvements in machinery. Labour has risen, from dearness of food; we have not, therefore, to consider of agricultural improvements, because they would have prevented the dearness which is the evil alleged and sought to be remedied. It must then take place in manufactures. Let us imagine the capitalist here to effect such increase in his savings as to preserve to him in amount his former profits. As there has been a necessity to take inferior lands into cultivation at a greater outlay, if the manufacturers kept to themselves the entire benefit derived from these improvements, they would realize higher profits than other classes in the community. But such could not continue; capital would flow into those

other more advantageous employments, and ultimately effect a general uniformity of profit.

This then being the case, and still precisely the same quantity of exports, and the same quantity of articles of home consumption being produced, if their value be measured by gold and silver, or any other commodity of foreign production, whatever increase is given to the labourer from the dearness of food, a commensurate deduction in value is taken from the capitalist. Thus profits fall, whether taken in the enlarged sense, as applied to the whole proportion of wages, or as merely viewing the rate derived by the individual; and any excitement created by the first tendency to high prices leads not to the same beneficial result in favour of the capitalist as when wages rise from labourers consuming more commodities. In the latter case, when wages rise, the manufacturers are immediately prompted to exert themselves to introduce improvements such as may enable them to retain their connexions. If they succeed, they do not derive exclusive advantages; they merely preserve their equality; there has been no cause for profits generally to fall; and on principles directly the reverse of the former case, were they not to reap the benefit of the new machinery, they would change their employments. To do this there is every opportunity, because, though the labourers have acquired an increase of value, there has also been an increase of wealth. If they consume now to the value of

100 millions, the commodities so procured have been increased from 450 to 500, and the amount of material products, in other words, the national wealth, has been augmented from 1000 to 1050. No diminution, therefore, either in number of products or of value, has ensued in the distribution to the great body of capitalists.

I have dwelt at some length on this branch of the inquiry, because it touches fundamentally the peculiar characteristics of the modern school. I believe I have adhered scrupulously to the rule with which I sat out, that of meeting the advocates of that school on their own grounds, and avoiding recourse to extraneous causes or circumstances in discussing what I deem the major portion of the question. Throughout Mr. Ricardo's book, he argues as if high wages invariably occasioned low profits. Of the most important part of the analysis he has omitted to treat; he seems, indeed, to have been not perfectly acquainted with it, and has, in consequence, adopted conclusions which a closer view of the subject might have led him essentially to modify. It cannot be urged, that when he spoke of profits falling, he referred solely to the cultivation of inferior land; the other causes of high wages which I have endeavoured to illustrate are distinctly included. In his chapter on Value, after explaining that wages being high from a low value of money is not the circumstance demanding attention, he observes—

"A rise in wages, from an alteration in the value of money, produces a general effect on price, and for that reason it produces no real effect whatever on profits. On the contrary, a rise of wages, *from the circumstance of the labourer being more liberally rewarded,* or from a difficulty of procuring the necessaries on which wages are expended, does not, except in some instances, produce the effect of raising price, but has a great effect in lowering profits."—p. 48.

The difference between us is thus substantial, and relates not to a mere distinction in definition of terms.

The acknowledgment of our liability to be excluded from foreign markets in consequence of high wages, originating from no matter what cause, may by some be viewed as the admission of an evil; and that, as we do but thus substitute one evil for another, it matters not, practically speaking, to what cause we attribute the deterioration of national prosperity. A certain weight may, at first sight, appear to attach to this objection; but in reality, the difference between the two systems is equally marked and striking, in what relates to the practical regulations of trade, as in what belongs to the mere consideration of theoretical principles. Agreeably to the conclusions of the modern school, profits falling from the first commencement of a rise in wages, capital is driven out of the country to seek

more advantageous investment abroad; the most injurious consequences are thus visited on the state, for with capitalists originate all industrious employments; from their funds is labour supported; and if those funds are to be employed at home, in vain, it is contended, can you hope to advance, or even preserve your present elevation. But my views lead to no such disastrous results. The country may, in some respects, and speaking comparatively, become, to the idle, a dear place to live in; but the capitalists sustain no injury in the employment of their stock; increased excitement arises for those improvements which distinguish and ennoble the ingenuity of man. Even alleging those improvements to be fortuitous and limited, they do but the more impel us to adopt that judicious system of restriction which shall tend to preserve to us these exclusive advantages.

To England, in all our arguments, should the attention be directed, the great object of inquiry being obviously to ascertain the proper policy required for her benefit. If the reasoning here adduced has hitherto appeared satisfactory, I have succeeded, agreeably to the object avowed in the Introduction, in exposing two palpable and vital mistakes in the doctrine of the modern economists: first, that it is a great error to suppose, that any freedom of trade could annihilate the principal cause of high wages in this country; and, secondly,

that the effects proceeding from this principal cause, so far from being prejudicial, are eminently salutary.

The main part of the question is thus disposed of, so far as relates to the confutation of these peculiar tenets. It would, doubtless, be desirable, as has been formerly stated, to ascertain the *exact* length to which this principal cause of high wages extends. I assumed it to amount to considerably more than twice the extent of the operation of dearness of corn, on comparing the expenditure of our peasantry with those of France. Some difference may, unquestionably, be found, between my statement and the results of any other mode of inquiry, but, I believe, none of sufficient moment to impair the general correctness of my deductions.

Section II.

INQUIRY HOW FAR A DEARNESS OF FOOD TENDS TO DEPRESS PROFITS.

It may, perhaps, be conceived to have been admitted, that to whatever amount the cultivation of inferior lands tended to raise the wages of labour, that circumstance operated to at least a corresponding extent, to injure the interests of the capitalist. It will, however, be recollected that, to simplify the discussion, this was admitted conditionally. When two or more causes combine to produce a certain result, it is an important object to distinguish them correctly; to confine each to its due limits; and in tracing their separate effects, to avoid all unnecessary reasoning or illustration. Hitherto there has been no occasion to contest the results ascribed to the farming of inferior soils: the task of refutation was conducted more decisively by meeting the economists on their own grounds. But as dearness of food does certainly form one cause of high wages in England, it now becomes necessary to inquire, if the views of the economists, in this particular, command unqualified assent.

Having, at all events, shown that the evil is not so extensive as in the popular estimation it appears

to be, it is not improbable that the conflicting parts of the argument may be less obstinately contested. Disputants naturally abate somewhat of the tenacity with which a favourite hypothesis is maintained, when its primary basis is either invalidated, or, at least, shown to have been in its effects greatly overrated. It has been assumed that the dear price of food in this country, compared with its price in France, does not, intrinsically, amount to one-fourth of the entire difference of wages. But our purpose will be sufficiently answered by giving even a greater latitude. It may still, however, be said, that this is an evil, to whatever extent it goes; and why, therefore, should it exist at all, since the interests of the capitalist are proportionally injured?

From the general outline of the peculiar theory of rent adopted by the modern economists, it was seen that it was not allowed to enter into the cost either of raw produce, or of any commodity. If there existed a boundless extent of territory, of various degrees of fertility; and if every person had the privilege of appropriating to himself any desired portion of unoccupied land; then, indeed, it might be argued that rent entered not into the cost of production, it representing merely the difference of outlay between the most fertile and the inferior soils. But, on bringing home the argument to England, we find her in no such condition. We are, therefore, called upon to reject mere hypo-

thesis, and to apply our reasoning to practical objects. The Ricardo theory of rent may be correct, if taken absolutely; but in a subject where other circumstances indispensably combine to modify results, it is, surely, not warrantable to omit the consideration of them.

I proceed, then, to examine these modifications. In the first place, I shall endeavour to show the true cause why corn is dear in this country; in the second, I shall attempt to explain the influence of the supply and demand of capital upon profits; and, lastly, I shall strive to deduce the important conclusion, that profits do not suffer from any extension of agriculture occasioned by the exclusion of foreign corn.

This will complete my reply to the tenets of the modern school of economists regarding their theory of profits, the part in which their objections most impugn the restrictive system.

Notwithstanding the many discussions which have taken place relative to the progressive advance in the price of food in this country, there are, perhaps, few points in Political Economy understood so imperfectly: writers have generally contented themselves with delineating the effects caused by a dear price of corn on labour; but the converse of the proposition, that a high price of labour must produce dear corn, seems never to have been noticed. The only reason we can assign for so great an omission, is the having estimated this

as a mere transposition of terms. By considering the price of food as one and every thing in determining the rate of wages, it was deemed useless to recur to any reaction, or to obscure the argument by introducing extraneous or adventitious circumstances. Sometimes, indeed, we perceive a little qualification; but it is merely incidental, and is never taken into account in the business of defining causes for any specified result. The opinions of men in this country have, from this, been divided, and two several explanations have been attempted of the origin of the dearness of corn in England, compared with other countries. By one it has been attributed to exorbitant taxation; by the other, to the cultivation of inferior soils. Among the supporters of the latter opinion are to be included all the leading economists; and of late years this party has, generally speaking, gained ground. Although impelled by candour to acknowledge, that I disagree with the one as to the deadening influence they ascribe to taxation, yet I am still further at issue with the principles of their opponents. The reader will not, it is hoped, be startled, when he is told that, notwithstanding the high price of wheat now in England, compared to the price in France, yet it still remains to be shown that this is occasioned by the cultivation of inferior land. Such certainly may be the case; I only assert that it has never yet been proved, either by Mr. Ricardo, Mr. M'Culloch, Colonel Torrens, or any one of the number who

have written on this subject. The latter writer has enumerated some of the particulars, in which the habits of countries differ; had he pursued his meditations further on the point, he might have perceived that he had himself thus stated the leading causes for dearness of corn, while the tendency of his book was to an opposite object. Corn is produced by immediate labour, in greater proportion than other commodities, and if the *natural* rate of that labour be high, corn must consequently be high also. We have shown that a principal reason of wages being higher in England than in France, proceeded from the customs of the one occasioning the labourer to spend more on the gratification of his factitious wants. How, then, is it possible to deny that the raw produce of the soil is raised in price in a corresponding proportion. If, through the advance of civilization and public prosperity, wages are augmented in consequence of the labourer compassing increased enjoyments, the prices of commodities undergo a variation, as estimated to each other, according as durable machinery or immediate labour enters more or less into their production. Now, it is apparent that agriculture presents not such scope for the employment of machinery as manufactures do. No matter what improvements are effected, still by far the largest share of the cultivation of the land must be carried on by manual exertion. Here, then, will the effects produced by the rise in wages be most

visible and striking. In other branches of industry where we supply foreign markets with manufactures, new machines, and savings of labour are employed, which prevent any serious advance of price; but there being no such resource in farming, we discover the reason why cottons and woollens are comparatively cheap, while the raw produce of the soil is dear. To me this appears much the most important consideration in solving the problem of the general state of prices in this country. Taxation unquestionably operates to enhance still further the cost of production. In addition to the general taxes, tithes and poor-rates bear almost exclusively on the land: and when these causes are viewed in conjunction with the higher wages given to the labourer from the customs of the society, and it is further considered that immediate labour is the chief item of expense in raising raw produce, it is surely manifest that the price of corn must be high in England, no matter what may be the fertility of the soil, or the rent paid to the landlords. Through a species of reaction, food being indispensable to the labourer, its dearness tends still further to raise the rate of wages; and the one acting on the other reciprocally, creates in each a still further enhancement. But this cannot be alleged as a primitive cause; it is an attribute deducible from the other circumstances assigned, in every respect subservient and accessory, and not existing independently of itself. In the difference of wages

between France and England it was assumed, that three-fourths was ascribable to taxation and difference of customs; is it too much, then, to assert, from the illustration we have given regarding the culture of raw produce, that the remaining fourth should be considered as consequential, and entirely occasioned by the operation of the predominant causes? Suppose the rate of wages 18*s.* a week in England, and in France 10*s.*; if 6*s.* of the difference arise in the manner assumed, it will lead to a dearer price of corn, and that dear price of corn must eventually cause 2*s.* more to be given to the labourer. What, then, becomes of the clamour of the economists against our cultivating inferior land? Do they substantiate their charge? I believe this brief exposition proves, that those varying grades of fertility, on which they delight to expatiate, as leading to high prices, are yet inapplicable to the condition of England. There is but one objection which can be offered to the opinions here submitted. It may be urged that the table of expenditure among French and English operatives, refers to those of them who are mechanics, and not to agricultural labourers, and that though the contrast may apply to the former, it will not apply to the latter. I admit that the condition of our peasantry is greatly inferior to that of artisans employed in manufactures. If any distress exist, it is in the agricultural districts that it is to be found—among that most meritorious class, whose independence the poet, with feelings of

enthusiasm, may justly celebrate as forming their country's pride. I believe, however, that the application will, in the main, hold here, as well as with the manufacturing classes. From an authenticated statement, I find that the magistrates in Sussex allow to their paupers, in what I denominate artificial wants, more than three times the amount which can be earned by the active labourers of Picardy. If this be so, I am warranted in the deduction I have made, consequent on which many of the leading dogmas of the modern economists become completely annihilated. The manufacturer of silk and the grower of corn are both affected by high wages; but the latter, perhaps, in greater proportion, as I conceive there is less employment of machinery, and more immediate labour: raising, however, a commodity which, of necessity, leads to a further rise in wages, superficial inquiry attributes all to the land in the first instance, while, in reality, dearness is here but secondary. If we recur to first principles, it will be found to originate, correctly speaking, in other causes, quite independent in their operation.

Though the tendency of these opinions is greatly to qualify the clamour against the proprietors of the soil in England, it may nevertheless be contended that the principle of the theory is correct; and that, were cultivation limited to such fertile districts as the Carse of Gowrie, or the Vale of Gloucester, profits would range much higher.

Population extending, tillage must necessarily extend; and if we confine ourselves to our own territory, the greater outlay thus created from diminishing productiveness, forms the ground for the argument of the economists, that profits become progressively depressed. Whatever tends to keep the interests of the capitalists, in other words, profits, at the highest rate, the economists pronounce the only proper system; and no matter how limited may be your quantity of land of the first degree of fertility, you should never resort to any inferior, or you will infallibly lower profits. Many persons will conceive that this reasoning savours of partiality to some interests, and of injustice to others; and that on these grounds, when it is once shown that a high natural rate of wages must lead to dearness of corn, it is needless to pursue the argument farther, or to inquire to what particular degree of productiveness we have reached.

To put the whole case, however, in the plainest possible light, we proceed a step farther, and it now therefore becomes our object to examine into the principles and the effects of the demand and supply of capital. On this important point economists greatly differ. On one side are ranged Adam Smith, his able commentator the Marquis Garnier, Mr. Malthus, MM. Say, Storch, and Sismondi. Opposed to them are Messrs. Ricardo, M'Culloch, and Mill. It is to the latter class that I always refer, in using the terms modern economists, or modern school,

They, it is perhaps unnecessary to remark, contend that the farming of land, according to the relative degree of fertility, is the grand regulator of profits. The other authorities maintain, that the rate of profit is determined according to the quantity of capital in the market. When there is a great demand of capital, profits will be high; when, on the contrary, capital abounds, from long accumulation, as is the case in all old states, profits will be low.

That the general opinion coincides with the sentiments of Adam Smith and his followers, there can be little doubt; but if certain positions in the modern system be deemed of weight, the question perhaps exhibits not that simplicity and obviousness generally conceived, and it may therefore be necessary to make a few further observations. In the first place, regarding the general principles, it has already been answered in this work. The supposition, that no extent of supply of capital engaged in productive industry can injuriously affect profits is, of necessity, founded on the basis that the powers of production are unlimited, and that such production ensures its own consumption. This subject has been elucidated at length, and if the erroneous views of the economists have there been made apparent, a little reflection must show that their deductions intended to be consequential, respecting the theory of profits, are equally invalidated.

When we are satisfied that certain proportions

must exist between the productive and consumptive powers in a country, it is not difficult to perceive that when any circumstance occurs to derange these proportions, capital must be more or less in request.

The general proposition, therefore, that accordingly as a nation is advancing, is stationary, or declining, will the demand for capital vary, and that along with such variation, will profits be collaterally affected, seems substantially correct. The statements of Adam Smith on this head, though sufficiently convincing to ordinary observation, may yet, if subjected to the test of rigid inquiry, seem to demand further scrutiny, as to whether any limits are assignable to the employment of stock. But when this point is explained, we perceive that all countries must eventually attain to that state, when the accumulation of capital will be such as to lower profits through the effect of competition. In the consideration of this subject no point is so essential to be attended to as the striking fact, that men produce, not to consume the commodities they receive in exchange, or in return, but to accumulate wealth, that they may at some future period increase their expenditure. This accumulation then assumes a distinct feature, as it is made out of revenue for enjoyment, and not for the purposes of trade and reproduction. Let us conceive, at any juncture, a number of capitalists situated similarly, aiming solely at accumulation. If through the course of events the consumption of the usual purchasers fell short of the amount

of producion, it is apparent that the capitalists must compete with each other; they would court customers for their goods; and some would be tempted to undersell their neighbours; this would bring the rest to the same measure, as one of necessity; and thus do profits sustain gradual reduction. Here is sufficiently explained the reason why profits are invariably low in old states. Competitors are daily increasing, and if to acquire a fortune be the leading desire, they must not consume in the proportion in which they produce. A tendency in the markets to be overstocked is the necessary result. But the passion to accumulate still prevailing, it becomes imperative to rest satisfied with slower progress towards that end—in other words, to be content with smaller gains. It being evident that this position depends entirely on the soundness of the doctrine previously advanced, nothing further than the mere statement seems necessary to point out its connexion. The great object is unquestionably to show that in all countries much advanced in commerce and in population, profits progressively fall; but it is plain that this is not always accomplished in a regular or uniform manner; many accidental combinations of circumstances may cause serious variation—may occasion periods of prosperity which, though transient, are nevertheless sometimes of considerable duration; and on the whole, retard the era when returns of capital become so low, as sensibly to oppress the exertions of industry.

It is the frequent occurrence of such circumstances which leads to so much contradiction and perplexity, according as the bias of writers inclines them to adduce particular facts to bear out, as they maintain, their theory by an appeal to experience. It may be useful therefore to give a short explanation of those incidents, of continual occurrence, which seem to alter the rate of profits.

The variations of the seasons appear to be the first of extensive influence. This has been hitherto rejected by political writers, as of too transient and fortuitous a nature to create any material influence. It has been always contended, that every cultivator of the land, before he vested his capital in that employment, calculated the average of seasons generally, and that on estimating a considerable period, pretty accurate conclusions might be obtained.

Of late years, from a more attentive examination of records relating to agriculture in England for the last two centuries, as well as of recent facts, this opinion seems to have been precipitately formed. If a very long period be selected, such as a hundred years, there can be no doubt of finding the bounty of Providence equable and uniform. But this is not the question. We have to inquire if a number of good or bad seasons may succeed, for such a length of time, as materially to influence the views of the capitalists respecting the probable returns which an investment in land is estimated to yield. A period of ten or twelve years is fully sufficient for this pur-

pose. Few men practically interested in trade take a wider range, and all their calculations are founded upon the average of prices for those few years immediately preceding their embarking on any speculation. The effect of quantity on price has always been considered to be of great moment, especially in raw produce, of which the value may be considered as smaller in proportion to its bulk. An abundant supply of all perishable articles, indeed, must depress prices in a far greater ratio than the mere superabundance in itself would, at first view, seem to effect. On the same principle an inverse result will issue from a deficiency. And under these fluctuations it may be fairly said, that the prices or exchangeable value of commodities are not regulated by the quantity of labour required to produce them, but by the supply compared with the demand. Accordingly as those fluctuations cause dearness or cheapness, profits will be high or low; and if we assume that those vicissitudes are of sufficient duration to regulate the extent of investment or speculation, the inference is direct and decisive, that the principle of demand and supply is a main regulator of profits. It is unnecessary to observe, that those employments not dependent upon the cultivation of land would be eventually affected equally, owing to the general adjustment to which every branch of industry conforms.

The main question undoubtedly is, are variations in the seasons so extensive and durable as here sup-

posed? This point has been investigated by Mr. Tooke (*On High and Low Prices*) in a very elaborate manner, and it is illustrated by a great variety of interesting facts. Such is the importance which he attaches to the influence of the seasons, that he attributes the high prices during the war almost exclusively to this cause. After detailing the grounds on which his opinion is founded, he arrives at this conclusion:—

"That seasons of a particular character for productiveness or unproductiveness are liable to occur in very different proportions in equal series of years at different intervals: as, for instance, in one interval, *viz.*, from 1693 to 1714, both years included, making twenty-two years, there were twelve seasons more or less unfavourable, or of deficient produce; and in another interval, from 1730 to 1751, making likewise twenty-two years, there was only one season which, from historical record, or by inference from fluctuation of price, can be considered to have been decidedly unproductive."—p. 322.

The next circumstance which affects the rate of profits I conceive to be of great moment. It is the state of credit. In all countries distinguished for mercantile enterprise, the quantity of real capital possessed by those who give the chief excitement to production is very disproportionate—it is inadequate to the extent of their trade, and they are obliged to resort to means in some degree fictitious to prosecute their business on the scale most likely to

ensure success. It may be said, with great truth, that much of the commercial pre-eminence of England may be attributable to the general system of credit, which gives rise not only to banking establishments and other facilities for raising money, but also to that good faith and probity among traders without which no nation can hope permanently to preserve her connexions. To convince any person of the prodigious influence worked by credit on the national powers of production, let him fancy the employment of ready money in every transaction. What would then become of some of our leading manufactures? It is well known that the energy, the invention, and the enterprise which are in incessant activity, and which improve and extend those manufactures, originate with aspirants about commencing their career, who rely on their punctuality and character for the assistance of liberal credit. In the United States of America this system is still more prevalent. Many writers have indeed ascribed her rapid advancement almost solely to this cause; and though inconveniences and losses have occasionally flowed from it, yet, opposed to the benefit, they must be considered as temporary and insignificant. It is merely necessary to mention this cause to evince how fluctuating must be its operation, and in consequence of that fluctuation, how sensibly profits must be affected. Credit is absolutely founded upon opinion; and there is in this respect some parity

between the commercial interests and the political stability of a nation; but the former are liable to incessant changes, from doubtful rumours, sudden caprice, or ominous prognostications of adversity. The ablest calculator is frequently bewildered, when he contemplates the often-momentous effects of the most trivial events; but by which numberless interests are, link by link, drawn into difficulty. When such casualties are thus inevitable to the mercantile community, it would almost lead us to conclude that credit is not secondary, or accessory, but that it forms the chief element in determining profits. Inquire of any person in business the leading consideration by which he is guided in determining the extent to which he will speculate, and he will tell you the degree of difficulty or facility he experiences in raising money: even those possessing the largest capitals are, in some degree, affected. In general it is maintained, that the fluctuations of credit apply only to the few who may be inclined to over-trade, and that the interests of the great majority do not materially suffer. It seems to be forgotten that though the latter do not alter the quantity of their business, and that, therefore, their security may continue unquestionable, yet their profits must undergo an alteration. They must sell at the same price as others engaged in the same business, and if others, whether adventurers or those long established, deviate from the regular routine in adjust-

ing the supply of any one article to the market, they are obliged to conform; and thus, in fact, they exercise no control over the general rate of profit.

At whatever period we could select, whether of war or peace, we find these events occurring; and to omit the consideration of them would be to reject facts on which all that claims our attention should be grounded.

The only remaining cause requiring notice, relates to the opening and extending new markets for our commodities. In the present condition of the world, who could attempt, exactly, to define the limits to which foreign countries may pay tribute to our industry? The great revolutions which have taken place on the continent of America have opened new fields for enterprise, of which it is impossible to predict the result; or the degree to which they may invigorate and benefit the resources of Great Britain.

Even in all old countries the limits of our intercourse cannot be strictly ascertained. New commercial treaties are continually framing, which lead to an altered distribution of our means of production, and necessarily derange the net returns derived in each particular employment. Upon every alteration, a spirit of speculation more or less arises, in some cases disastrous, in others successful, but always involving other interests, and occasioning great variations in profits.

It seems superfluous further to delineate the

various modes which justify the conclusion, that the principle of supply and demand is what principally operates in adjusting the remuneration to the labourer or the capitalist. If to account for things as they are, be the object of Political Economy, it implies rather a striking perversion of its purpose to build a theory upon abstract principles, which, in their naked state, can never come into action; whilst causes which are shown to have vital importance, and which tend, if not to subversion, at least to modification, are utterly excluded. Whether the opinion be correct, or otherwise, that the effects of competition tend, eventually, in old countries, to lower profits, it is apparent that other incidents arise to trench upon the rule laid down so absolutely by the modern school. If, then, we grant that these incidents may operate for many ages yet to come, in framing any theory regarding the distribution of the net returns of industry, they claim our first attention.

In the progression of society, whilst some are closing, others are commencing, their career. The latter seldom extend their view far into the future; they contemplate neither abstract relations, nor latent principles; they take things as they find them, and adjust their business to what appears the popular and therefore the natural condition and opinion of the time. No matter whether the period be one of agitation or quiescence; they conform to its character; and as the same species of rotation

in society is perpetual, ideas regarding the state of profit, and the consequent greater or less inducement to embark in business, will be formed, not by the comparative fertility of the land, but of incidents, according as the times assume a more or less favourable aspect.

Our observations have hitherto been directed to the demand and supply of capital, because upon that fund depends the increase of production, together with the increase of the instruments of production. It is proper, however, to add a remark on population, or the demand and supply of labourers. These cannot either be augmented or diminished instantaneously. Twenty years seem necessary to rear a labourer; and if in that period any change ensue as to the appropriation of the funds destined for the support of labour, wages will be affected, and must accordingly exercise, in corresponding proportion, an inverse influence upon profits. No matter what may be the natural rate of wages; no matter whether the labourer may be used to compass the enjoyment of many articles as in England, or of few as in France—still the rate of increase, whether rapid or slow, will depend upon the market-rate of wages. When trade is very active, labourers, finding themselves in request, will obtain higher remuneration; and this must unavoidably continue until more hands have been brought into action, an interval of eighteen or twenty years. If we assume the opposite case, we shall

witness the exact reverse in effect; and though this circumstance is in some degree contingent upon those primary causes enumerated, and which occasion an activity or stagnation of commerce, yet, taken in conjunction with them, it must appear on reflection, that particular conclusions sought to be drawn by the modern economists are sensibly weakened.

It has been previously shown, that labour differs greatly in its degrees of intensity, accordingly as the market-rate of wages is high or low; and it is here in reality that we witness the chief operation when a change befals the national prosperity. The omission on the part of the modern economists to investigate how differently a man works according as his wages vary from the natural rate, is most censurable, and has caused them to treat other matters in a very imperfect manner, which more comprehensive views would have rectified. Man is not a mere machine, like a power-loom or a spinning-jenny. He has passions, feelings, appetites—and some one of these acts with more or less efficacy, accordingly as opportunities occur for their indulgence. Unless, therefore, we recognise these in our argument, it is more than probable that our speculations will greatly militate against experience.

Presuming that this part of the inquiry has been illustrated satisfactorily, and also that the principle of supply and demand has been proved to exercise

powerful efficacy in regulating profits, it is now necessary to proceed to apply this reasoning to the great and last object of the present Section, that of ascertaining how far the cultivation of inferior land may lower profits.

It is needless to remark, that extended cultivation can only proceed from increasing population; but if the increase of population depend upon the briskness of trade, or, in other terms, from the capitalists enjoying prosperity, I must be allowed to say, that, to make the farming of inferior lands a *cause* tending to lower profits, is rather a contradiction, when it is manifestly the effect proceeding from the prosperity of the capitalist. To make this more clear, and to show the manner in which I conceive agricultural, as well as every other description of industry, is immediately and remotely dependent upon demand and supply, let us take any given period, and assume 10 per cent. to be the current rate of profit in England. Suppose some beneficial change, then, to occur, the opening of the South American continent to our industry, for instance, or any other event similar to those described, through which the supply of our commodities shall fall short of the demand. The capitalists avail themselves of this burst of prosperity, and profits rise from 10, say to 12 per cent. But along with this elevation the demand for labourers has also increased, and to rear them more land must be cultivated. Admitting that this is inferior land, can it for a moment be maintained that it is the

primary cause in operation. The economists exclaim, it is a mighty evil, more expense will be required, corn and wages will rise, and profits will decline;—I dispute the conclusion. It is a natural and obvious consequence from the first rise of profits, and cannot, with any degree of correctness, be supposed to lower them. It may, indeed, be argued that some reaction is created, and that the increasing wages of the labourer prevents the capitalist from ultimately realizing the full amount of the 12 per cent., or such amount of gain as would have been the case had there been abundance of fertile soil. This puts the question in a greatly different light; it compromises materially the point at issue, and seems to confine it to a regret merely that our country is of limited extent, and possesses not a uniform degree of fertility. That there is a tendency, referring to the whole productive industry of the country, for proportional profits to fall, compared to wages, as a state advances in population, and as the whole of the land becomes cultivated, it is never intended to dispute. But it does not indispensably follow that the individual interests of the capitalist may not be prevented, by redeeming circumstances, from coextensively suffering. His profits depend on the rate or proportion which his annual returns bear to the magnitude of his capital; and it is necessary to remind the reader, that on all occasions, when we speak of profits, the *rate* is implied.

Considerable confusion has been introduced in the discussions of writers, by imagining that Mr. Ricardo's Chapter on Profits determined the rate derived by the capitalists, as well as the proportion of the produce of industry falling to their share, when contrasted with that of the labourer. The two are perfectly distinct. The profit of the capitalist, as before stated, is the net amount of the annual return which he derives from his investment; and if, from the productiveness of industry, or a better division of labour, he can increase this net return, it concerns not him what may be the relative proportion accruing to the labourer. Mr. M'Culloch has explained this subject in his recently-published work; but he seems not to have been aware how easy it was on his own admissions to controvert much of his theory.

In the case supposed, of profits rising 2 per cent. from the deficiency of the supply compared with the demand to meet the wants of extended commerce, it has been seen that inferior land was brought into cultivation. Now though, eventually, proportional wages will rise, through the dearness of corn grown on this inferior land, it is possible that the rate of profit may continue undiminished. This is fully admitted by Mr. M'Culloch in the following terms:—

"The rate of profit might really remain stationary, though the *proportion* of the produce of industry falling to the share of the labourer were actually in-

creased. Suppose, to exemplify this, that a landlord employs 1000 quarters of wheat as a capital, 500 of which are laid out in seed, keep of horses, *&c.*, and 500 in paying wages; if the produce is 1200 quarters, and the taxes to which he is subjected 100, his profits will amount to 100 quarters, or to 10 per cent. Suppose now, that, owing to the introduction of improved machinery and improved methods of culture, the same landlord only requires to employ 400 quarters of capital in seed, keep of horses, *&c.*, but that wages rise from 500 to 600 quarters, and that the same return is obtained; in this case, supposing taxation to have continued constant, the profits of the landlord will be exactly the same as in the former case, though proportional wages have risen from five-twelfths to six-twelfths of the whole produec."—p. 317-2.

This is what virtually occurs on every enhancement in the rate of wages; and it is instructive to observe how exactly it coincides and accords with the principles I advance. Trade is brisk; the supply is short of the demand; additional labourers are required; to produce them more land is cultivated; but the cultivators observing in what great request labourers are held, will endeavour to use other expedients to as great extent as possible; and after a certain period the result is, that though, from the increase in the value of corn, more wages be given, the rate of profit, precisely as described by Mr. M'Culloch, remains unchanged.

It may be argued, that it is improper to ascribe permanent effects to this improvement of trade; things must come round again, and relapse possibly into more than former languor. In this juncture the capitalist must sustain a reverse, and profits will be greatly diminished. Let us examine this unqualified assertion. It has been demonstrated that labourers work with various degrees of assiduity, according to the state of the market-rate of wages. We behold here, then, the instruments on which such vicissitudes operate. The capitalists are not immediately affected; a very long space must intervene before the calamities attending the modern theory reach them. This may seem to throw the weight of national adversity upon the operative classes, and such is really the fact; but the population principles which I have supported, show how the evil has a tendency to correct itself, and to prevent their permanent deterioration. There can be no doubt, that if at any given period we assume that no further incidents of a favourable nature arise to augment our commerce, the depression must eventually be shifted from the labourer to the capitalist. But in the illustrations submitted relative to the principles of supply and demand, it appeared that, as society is constituted, there is a continual progression and retrogression of events influencing national prosperity almost indefinitely, and not in this age calculated to inspire alarm for the future. That all nations are doomed sooner or

later to commence their decline is undoubted, and so is the fact, that the emoluments derived by capitalists have also a tendency to diminish; but still it is accomplished in the manner already explained, that is to say, by the increase of competitors engaged in production; yet this is in reality no indication of national decay.

It cannot, however, for a moment be contended, that the comparative extent of the cultivation of the land did not materially enter into the question regarding profits. In respect to England, the territory is limited, and it will be apparent, that to apply this consideration would be futile and preposterous. The argument here advanced goes to no extremes. It extends merely to this, that very wide limits are to be assigned to cultivation of the land, before it can be said to lower profits through the operation of increased wages. When the large amount of capital engaged in this country in manufactures is contemplated, together with the sum not only embarked in foreign trade, but vested in business in foreign states; and when it is further considered, that production is not in its nature unlimited, it is surely convincing, that any reasonable diminution in the returns of agricultural industry, such, in fact, as has occurred, and probably will occur for several years to come, could not seriously injure the interests of the other capitalists. It appears to me, that the propelling movement would originate from the latter, and that British en-

terprise extends over so great a field, that whether the produce of a given quantity of the last land cultivated, which regulates prices, were five or six quarters of wheat, no alteration in profits would be caused by it. As however advancement, no matter how small in degree, must ultimately reach its termination, it may be demanded, with regard to England, where are you to stop? has her system of agriculture yet become so extended, as of necessity to depress profits? I believe this query has been already answered. To inflict an injury on capitalists, corn should be dear greatly out of proportion to other commodities, produced by similar degrees of immediate labour. That such is not the case is firmly believed; and if the theory relating to the natural rate of wages be received, it follows as a corollary from the exemplification given in this section, that that portion of high wages which is created in this country by dearness of corn, cannot, taken in itself, be assumed to depress profits. The train of reasoning by which this conclusion is arrived at appears plain and obvious. The first proposition in the inquiry is, that, in all old states, from the effect of competition, profits have a tendency to fall. The second, that, through the principles of demand and supply, many incidents occur to infringe this rule, and to retard the catastrophe. The third, that owing to the operation of these incidents upon population, from agricultural improvements, and other circumstances, a great latitude is afforded to the land

before a very considerable diminution in its returns can lower profits. And lastly, it being admitted that, from the limited extent of the country, we must eventually arrive at such a consummation, on inquiring if we have yet approached it, we find that, so far from it, the price of corn, compared with other commodities, and accurately estimating the principles of production, seems not to be above its fair level; and that, consequently, the arguments of the economists, that it exercises a deadening influence on profits, must be fallacious.

The importance of this result cannot fail to remove much of that clamour, those accusations of monopoly, and insidious charges of selfishness, propagated with increasing acrimony against the landed interests. As I wish to have in view in this discussion the great body of farmers, rather than the landlords, I have not thought it requisite to enlarge on the theory of rent. One or two brief observations, however, may not be improper. In the first place, the theory that corn selling at that price which simply defrayed the wages of labour and the profits of stock, appeared always to me, so far from separating the interests of the landlords from the rest of the community, to tend to cement them more closely. To conceive them opposite, is essentially to assume rent to be of the nature of a monopoly. The doctrine of many of the economists, of MM. Say, Sismondi and Buchanan, would lead to such a conclusion. But if rent enter not into cost, how

is the landlord answerable for either dearness or cheapness? Through the bounty of Providence, the earth multiplies the quantity of grain put into it, without which our species could not hope to increase. This surplus belongs to the proprietor, whose absolute right to it as property forms the most important feature in civilization. At the commencement, there will be but small demand for this surplus; it will, therefore, be but little prized, and rents will be insignificant. By degrees society thrives, and so population increases; the surplus which the land is capable of producing then becomes more in request, and the landlord, like any other individual possessed of a commodity similarly affected, avails himself of its enhanced value, and thus rents are raised. It is the increase of commerce which leads to an increase in the funds appropriated for the support of labour; the increase of population following, occasions improvements in agriculture, and promotes the value of land. The decline of commerce produces opposite results. Rent thus rising with the prosperity of the country, and falling with its adversity, who will venture to pronounce that the landlords are at issue with the rest of the nation? To describe them as unproductive idlers, fattening on the fruits of industry hardly-earned by others, savours more of that favoured dogma of radicalism, general equality, than of the sound conviction of reason and philosophy, which teaches that the sacred and irreversible right

of property, inspiring respect, and preserving order, is the main bulwark of civilization.

So far am I from concurring in the supposition of the modern school, that the great increase in the landed rental of England indicates the visitation of injury upon the capitalist, that I believe profits to have been raised by the great extension of agriculture in this country. The immense scope presented by enclosures, draining, embankments, improvement of roads, recovery of wastes, and conversion of whole districts from a state of barrenness and neglect to high productiveness, must have afforded exercise for industry highly beneficial to all its branches. This, to ordinary observation, seems the natural conclusion. But there is another more remote operation, the effects of which will give some idea how necessary it is to bring comprehensive views to an efficient study of Political Economy. By the recovery of lands, increased means of sustenance are obtained—population multiplies—the value of produce rises—rents are augmented—and the landlords, from their increased revenue, obtain a greatly-enlarged command over the luxuries of life. This is the ascending gradation. But an estate in land has been shown to be the object of ultimate attainment with the adventurer in commerce; it is the regulator of the standard of opulence; increase in its value incites to increased exertion. Through the union of numerous attributes, all proceeding from this primary cause, consumption or expenditure un-

dergoes alteration; more objects of enjoyment are introduced; man, being an imitative animal, the inferior classes copy those immediately above them; Step by step improvements descend, and eventually the operative rank, forming the great mass of the people, swell their artificial wants. Here is the descending series. Now, for the sake of argument, let it even be admitted, that some evils might result from dearness of corn immediately exhibited by the ascending series, subject however to the modifications we have enumerated. The descending series, on the other hand, shows, that artificial wants are established; and it has been demonstrated in the preceding Section, that the increase of artificial wants among the labourers is eminently beneficial to the capitalists. Let the two, therefore, be balanced together, and I believe that impartial inquiry will prove the latter greatly to preponderate. Most of the affairs of life, indeed, are made up of conflicting circumstances. Neither good nor evil is to be found unmixed, and philosophers must rest content with establishing the one or the other's predominance.

I have resorted to this illustration to correct, if possible, the grand error of judging precipitately, and from first appearances. When a man hears of land letting at 4*l.* per acre, he is disposed to say, "So high a rent must surely be prejudicial." He merely applies his mind to a few plain consequences relating to prices, and imagines he has compassed

the inquiry. It is this mode of viewing things superficially, which occasions so many errors in legislation; the true merits of a question are, at times, refined and remote; and I believe it will appear that, whether my views, as first stated, relative to the introduction of more material objects of consumption in a nation be tenable, or otherwise, they demand serious attention.

At all events, I hope enough has been advanced, to refute the modern, or Ricardo, theory of profits. It is clear that to do so does not require us to prove that the extended cultivation in England has been beneficial to capitalists, which, in fact, is what I have just attempted. It is sufficient to establish that it has not been prejudicial; and I have a confident expectation that this has been effected. The mode in which I have treated the subject will be found, I hope, the most conducive to perspicuity. The argument advanced by the opposite party is this: the high rate of wages in England lowers profits, and will cause capital to flow out of the country, to the great obstruction and injury of national prosperity; open, therefore, your ports to foreign corn, that wages may come down. In combating this argument, I have analyzed wages, and reduced the causes of dearness into three divisions: first, superior mode of living, or higher natural rate; second, dear corn; third, taxation. The latter has not been noticed, because it is remediless, and there is no disagreement upon its effects. The first

and chief cause has been treated in the preceding Section, upon principles which tend to the refutation of the school upon certain premises of their own, and can leave them no room to dispute the erroneousness of their doctrine, or bring extraneous matter to its aid. I have so shaped the reasoning, that political economists, of every class, must be satisfied with the elements upon which I have worked. Are you a disciple of Ricardo? then I have met you upon your own ground. Are you a follower of some other system? why, then, still more will you give confirmation to my views; if, indeed, it be possible to add to what was already conclusive. As to the second point, I have been obliged, in replying to the imputation of injurious consequences from it, to dispute some elementary points in the Ricardo theory. Thus, rather wider grounds for discussion and difference of opinion are presented: but, as I have shown that many important modifications have been overlooked, and that, in reality, the second cause is in a measure dependent on the first, the conclusion attained is equally convincing and decisive. No comments are required, to point out how extensively and how vitally this exposition bears upon the great question of Free Trade, as advocated by the modern economists. The relation between wages and profits forms the main pillar of their system. If its base can once be proved unsound, all argument for an altered distribution of industry, and the removal of restrictions on com-

merce, according to their own admission, falls to the ground.

It will be kept in mind, that neither Mr. Ricardo, nor Mr. M'Culloch, nor Mr. Mill, nor one of the followers of either of them, contends, or will even admit, that our foreign trade is crippled by high prices of our exportable commodities. They deny broadly, and without qualification, that high wages in our manufactories have a tendency to lead to high prices. Mr. M'Culloch appears particularly explicit upon this head: he boldly affirms, that if wages be higher in this country than in France, cottons, the principal article of our export, will be cheaper. This proposition will, doubtless, startle ordinary observation; its correctness has already been examined; and it is only necessary here to repeat the assertion, in order to show that, if profits are not depressed in England under the present system, there is, according to the theory of the modern school, taken on its own principles, no necessity for a change. I am fully aware that freedom of commerce is advocated by many on different grounds; but it was proper, in the first instance, to reply to those who deem themselves the leading champions for a liberal policy. I have declined to descend to minor inconsistencies, but have attacked the land-marks of their system; and should I have, in any degree, succeeded, it must tend to abate those laudations with which their views have been greeted in such copious profusion.

Section III.

EFFECTS UPON THE AGRICULTURAL INTERESTS OF A FREE TRADE IN CORN.

Having concluded the task assigned to us by the Ricardo school, it is now necessary to advert to those other economists who advocate the doctrine of Free Trade upon grounds more tangible and more easily comprehended. Rejecting the speculative notion of profit just exposed, it is still contended that the removal of restrictions and prohibitions would lead to a better distribution of national industry. This country presents great advantages for trade; and it is conceived that it must infallibly conduce more to its prosperity, to allow the manufacturers every facility and encouragement in prosecuting their employments, than to adopt artificial restrictions. Hence the expediency of withholding protection from agriculture. If we make large importations of corn, foreigners will not take away money in return, they will take manufactures, thus creating an amazing increase of industry. Such is the argument maintained in almost every discussion with mercantile men, and those who attend to the practical part of the question. Others who have studied the science a little, and who are not unwilling to

display their information, go further, and demand,— Even should money be exacted in return, where would be the injury?—the money so given must be procured from some other quarter by the exportation of manufactures; it is in itself a commodity which will flow in upon you according as it is in demand; and it is even probable that greater benefits are attained by this circuitous operation than if the interchange were direct between corn and manufactures. Does it never occur to such as hear this argument to demand, in reply to it, What is the effect of the diminished consumption which this diminution of income compels in the agricultural classes? Can it be for a moment imagined, that increase of manufactures exported would indicate a clear national gain, unqualified by countervailing evils? It is easy to string together a few circumstances, showing how foreign commerce might be promoted; but to elucidate the effects on domestic consumption presents a wider field and much greater difficulties. Internal traffic has been advocated by the standard writers on this science as by far the most beneficial to a nation. When matters go on well with the farmer, every country-town in England feels the advantageous stimulus it imparts to business. Though the individuals engaged in export trade may be more eminent, and may be able to cause themselves to be more loudly heard in a nation, yet those who supply the wants of agricultural consumers, and collateral channels, are much more

extensive in the aggregate, and their collective interests, therefore, demand infinitely superior consideration. The outcry against prevailing restrictions shows plainly that a great reduction in the price of corn is the object sought. To effect any alteration that merely changes the system, or modifies its operation, without lowering prices, would attract very little of public attention. We have, therefore, to assume in the argument at present, that the incomes of the landed proprietors must be greatly reduced by a change of system.

When we refer to the general statistics of the country, and discover the extent to which agricultural industry enters into the national revenue, we only then become sensible of the prodigious increase required in exportation, to compensate for even a moderate abandonment of the cultivation of the soil. In the classification of the leading branches of industry, many employments are ranged under the head of manufactures, which more properly appertain to agriculture. A remarkable instance of this was adduced by a periodical writer relative to the late Population returns. In one country town the number of families returned as being employed in handicraft or manufactures was stated at more than double the number of those engaged in agriculture; but on examination into the nature of their occupation, it was discovered that they were almost exclusively directed to supplying wants arising out of the cultivation of the land, taken either directly or

remotely. It is necessary to view the subject in this extended light, when we proceed to weigh the advantages of throwing all these families out of employment, and forcing them to look after other modes of support, dependent upon foreign trade.

The following was stated by Mr. Western and Mr. Colquhoun to be about the annual consumption of grain in Great Britain and Ireland, as estimated in the year 1812:—

Wheat . .	9,170,000
Barley . .	6,335,000
Oats . . .	16,950,000
Rye . . .	685,000
Beans and Pease	1,860,000
Quarters	35,000,000

But the subsequent increase of population calls for an augmentation of these quantities to the amount of full 16 per cent. On which increased quantities; if we contemplate a reduction to the following extent, the account will stand thus:—

	Present Consumption.		Contemplated Reduction.
Wheat	10,698,333	at 20*s.* per quarter	£10,698,333
Barley	7,390,833	„ 10*s.* „	3,695,416
Oats	19,775,000	„ 6*s.* 8*d.* „	6,591,666
Rye	799,166	„ 12*s.* „	479,999
Beans & Peas	2,170,000	„ 12*s.* „	1,302,000
	40,833,332		£22,767,414

It is evident that to this amount the agricultural interests must suffer. There is, further, the depreciation in the value of live stock; all kinds of

flesh meat; and indeed every thing belonging to the soil, the price of which is regulated by that of corn. Mr. Colquhoun estimates the amount at several millions: and supposing here a proportionate diminution, the amount would be greatly enhanced; and when our reflection embraces those trades wholly dependent upon agriculture, and which must necessarily be abandoned, if the best soils only are cultivated, we acquire some idea of the prodigious extent of the transfer of industry which must unavoidably follow.

Questions of this nature must ever be viewed on a comprehensive scale, if we would accurately discover whether their evils or advantages preponderate. The means of one class of the community being reduced in the ratio assumed, it is indispensably necessary, on the other hand, to show that another class is to be benefited in greater proportion. Let this position, then, be examined. In the first place, as domestic industry, so far as relates to the traffic between the manufacturer and the farmer, suffers, it is requisite that the intercourse with the foreign producer of grain should supply its place. Now, so far as manufactures are concerned, it may be fairly stated that the entire consumption of an Englishman centres in the commodities of his own country. Such articles as foreign silks, and some others of a similar kind, are in too limited use amongst us to constitute an exception. No matter, therefore, how the case be viewed, foreigners can

never become such extensive customers for the aggregate of our manufactures as our own countrymen. Whatever imposing appearance the leading articles of export, such as cottons or woollens, may present, the minor agents of industry, such as the hatter, the shoemaker, or the tailor, can never hope to be compensated in foreign demand for the discontinuance, or at least the diminution, of custom amongst his agricultural neighbours. It is indeed upon these trades that the injury would chiefly fall; for if we assume the position, that foreign are to supply the place of British producers of grain, it is idle to suppose that the former could create the activity we witness among these branches in every manufacturing and country town. It will be readily perceived that this reasoning is grounded on what was, I believe, sufficiently established,—that certain proportions between consumption and production must exist, to enable national industry to flourish.

It may however be urged, that our supposing the diminution of domestic traffic between the farmer and the shopkeeper to go so great a length, is taking the case in extremes, and is an error; for in point of fact the importation of corn would be comparatively limited, though prices must, from the opening of the market, be greatly reduced. Acquiescing in the opinion, that a very small importation is sufficient to depress prices, I nevertheless reply, that if that depression be similar to the scale supposed, the injury visited on the agricultural interests must

of necessity equal the entire amount assumed. The sum for which the produce is sold is to that amount less; and for the national revenue to remain unimpaired, other classes must be benefited to a commensurate extent.

Let us suppose that, after we have adopted the principle of Free Trade, the importation of corn amounted, one year with another, to 3,000,000*l.* sterling, which is a considerable average, and which, by throwing inferior soils out of cultivation, would certainly reduce prices to the degree stated. The export of manufactures would be increased to a corresponding extent, but not beyond, unless the importations were greater, for the imports and exports must be equivalent. But the income of the agricultural interest being reduced upwards of 20,000,000*l.*, unless the manufacturers for home consumption be benefited to that extent, the general income of the country must obviously be diminished. The internal traffic amongst the latter themselves must be augmented, not in the limited degree which appears from only viewing the question in regard to foreign trade, but, almost in a sevenfold greater proportion, which not only supposes a great increase of business, but, what is more to be attended to, a great increase of each individual manufacturer's expenditure in his mode of living. The cotton-producer must purchase to a much greater amount of the producer of woollen and of linen, and these again of the hatter and the shoemaker and the tailor, and so on

reciprocally; and they must ultimately themselves consume what they purchase, or the addition of foreign trade is but a poor equivalent for the derangement of the old proportions between production and consumption caused by a change of system. It may be imagined that our commodities will become so much cheaper, that foreign commerce will be augmented in a far greater proportion than reaches merely to the purchase of imported corn: that it is probable it may fully equal or exceed the diminution in the landed income... To this there is one plain reply. If from the greater cheapness of our goods we export 20 or 30 millions more than at present, and only import 3 or 5 millions in corn, then other commodities must be received in return. And by whom are these to be consumed? Do we not revert to the original position, that the manufacturers must not only produce more, but they must also spend more. If corn is to a far greater extent imported, then the injury inflicted on the agriculturists is still greater; for in place of income being merely reduced, it is, to the extent of land abandoned, entirely annihilated. This argument may be supposed the same, in some respects, with the doctrine of Lord Lauderdale and M. Sismondi respecting consumption. I, however, by no means embrace all their conclusions. I only maintain that proportions must exist in the distribution of industry. Under the present system, the means and powers of the country have been found equal to their ends; and

it is sufficient to remark, that to justify a change, demands a much superior advantage to any that can be found in an increase of foreign trade. I am even prepared to admit, that dearness is attended with many evils to the commercial relations of a country. It would be better that it were not so, as relates to foreign competition; but from a long established course of things, opposite considerations operate; and it is surely requisite at the least to show, what I believe is in every respect erroneous, that the evil is imputable to the agriculturists alone.

The whole of these objections would be summarily dismissed by many economists, as in other difficult points, by the brief assertion, that production ensures its own consumption. Any further comment on the subject, at this stage of our undertaking, would be superfluous; but the reader now perceives how many branches of the science depend on it, and unless his opinion here be fully made up, his conclusions must be imperfect and confused.

Many who conceive corn to be the regulator of value, might conceive, that supposing a very small importation to produce the effect of reducing prices, there would, in this case, be no diminution in the intrinsic riches of the country. Value alone would undergo alteration; for the same, or nearly the same number of quarters of grain being still produced, the same quantities of woollen, cotton, and commodities in general, would equally follow; and riches, consist-

ing of products exchanging the one for the other, though they became cheaper, would, nevertheless, constitute the same absolute wealth. This is supposing the price of every article to be determined by the price of food; but if a quarter of wheat now exchanges for a coat, for two pair of boots, or three hats, does any person for a moment imagine that it would still do so were the price 20*s.* less? The principles of labour developed must, I think, show the futility of this opinion. Money would certainly go a little further in making purchases, but it would be to very trivial extent; whilst, not to speak of the mode in which taxation would be affected, the general demand for products for home consumption must, from the sufferings of the agricultural classes, be wofully diminished.

In treating this question, it has been usual with writers to assume, that the cultivation of certain districts, merely, is abandoned, as the consequence of a fall in the price of corn. Rents are reduced, while the condition of the farmer remains as it was. The effects thus presented to our thoughts seem confined in their range; and any diminution in the income of landlords, however important to the individuals themselves, we pass over, as of little national concern. I feel some confidence, however, that to take, as I have done, the entire quantity of grain consumed in the country, and calculate the extent and consequences of a reduction in price, is the correct and comprehensive mode of contem-

plating the subject. The amount is much too great to admit of the supposition, that the whole of it would bear exclusively upon the landlords. It has already been shown, that the interests of all the agriculturists are closely connected; and it is almost immaterial how we resolve proportions in the injury inflicted on landlords, farmers, and labourers respectively. By one, or by all conjointly, it must be borne; and we need only add, if the latter have to be included, the evil is greatly aggravated.

Although, strictly speaking, we have done with the modern school, yet there are some points which were promulgated a short time since, which may serve to assist practical men in acquiring an insight into this branch of the subject. Mr. M'Culloch, in his evidence before the Parliamentary Committee on Irish affairs, advanced sentiments on Irish absenteeism, which have obtained a good deal of attention, and attracted much animadversion. Popular opinion is decidedly against Mr. M'Culloch. Now, in reality, Mr. M'Culloch was perfectly consistent with his own theory; had he expressed himself otherwise, he would have invalidated every conclusion which his theory goes to establish. The question of absenteeism, and that of the Corn Laws, have a close affinity to each other. If it would be advantageous to England, greatly to reduce the income of the agricultural classes, then I do broadly, unequivocally, and fearlessly affirm, that Mr. M'Culloch was in the right. If, on the other hand,

absenteeism entails injury upon Ireland, then I as confidently assert, that the abandonment of the present Corn Laws must be prejudicial. Why do the advocates for the welfare of Ireland desire the residence of her gentry? Why, but to have the benefit of that stimulus to her industry which would be given by their expenditure. How, then, does the prosperity of the English landlords occasion national advantage, but by a corresponding operation? It may, indeed, be said, that in the latter case there are external evils proceeding from dearness. I believe, however, the true causes of this dearness are by this time materially moderated; and even supposing the occurrence of such external evils, it should be considered as, in some respect, a countervailing circumstance, that the effects in the case of England are more extensive, as farmers and peasantry have, to a certain extent, to be included.

I know too well the tenaciousness with which early prepossessions are maintained, to be unaware that I have touched a chord which may awaken reflections inaccessible to the most forcible argument. I am not stretching the point when I affirm, that ninety-nine in the hundred believe the non-residence of the Irish landlords to be a mighty and a paralyzing evil. But widely different is the balance of opinion regarding the Corn question. Let both be submitted to the same train of reasoning, and I think that the ordinary inquirer will find some contradictory impressions left upon his mind. If expendi-

ture be salutary, then are reduction of income, and income diverted in its distribution by absenteeism, alike pernicious. It would be easy to expatiate upon this theme, but the almost universal suffrages of men in its support, render the task superfluous. Who that for a moment reflects, does not perceive, that many of the most essential attributes of refinement are exclusively created by the great? Who encourages the sculptor to awaken the shapeless block into grace and symmetry? Who excites the painter to embody on the breathing canvass scenes on which we dwell with delight, and which we study for instruction? Who calls forth those strains of music, the sounds of which soothe our stormiest passions to repose? Assuredly it is to the superior ranks of society, possessing fortune for their encouragement, and leisure for their cultivation, that the fine arts owe their existence and advancement. Is it intended now to abandon them, and to substitute in their place the science of cotton-spinning or wool-combing? The goal of England's career will then be to assimilate her noblest and her best with her operative classes, and to vie with the fraternizing zeal of an American settlement: both undoubtedly meritorious in their way, but still not absolutely presenting the loftiest standard of our species.

Perhaps there is not, in all Mr. M'Culloch's speculations, any part which so much lays him under the imputation, charged upon him by Mr. Malthus,

of treating men as mere integral figures, and not as human beings actuated by certain sentiments and faculties, as does his evidence respecting the Irish Absentees. The idea is precisely that of a person illustrating Political Economy by counters, and exclaiming, on having by various mystical operations obtained a certain desired number, "Behold the mode in which riches are acquired!"

This sweeping kind of argument may be original, but I doubt if it will make many converts. Men trust a little more to their own feelings and their senses, and require to be convinced by proofs better adapted to the real occurrences of life. The least reflection exhibits, in a striking point of view, the almost numberless benefits diffused by the residence of a rich gentry throughout the community. But it cannot have escaped observation, that there is another more refined and philosophical operation, proceeding from the example of landed prosperity, which in all classes leads to an increased desire to accumulate. Though I feel thoroughly persuaded, that many of the characteristics of England's eminence, attributed almost universally to causes widely different, originate in reality here, yet I am diffident of pressing the consideration further, until my views have met with fair and full examination. Enough has been advanced for the immediate purpose, to show how one class would be affected by the contemplated alteration in the distribution of property.

It is certainly with feelings of surprise I acknow-

ledge, that the supporters of the landed interest have dwelt very little on the effects of diminished income as here brought forward. The weight to which I conceive them entitled is, nevertheless, in no degree diminished. Many, opposed systematically to the existing state of things, will possibly sneer at opinions here advanced. They may ask triumphantly, "If, as your reasoning contends, it be advantageous to have the price of wheat 65*s*., why not, for the same reasons, have it 100*s*., for, on your principles, so much greater will be the expenditure?" The impartial and the candid will exempt me from replying, that it has been fairly acknowledged, when food becomes so dear as by its dearness to impede industry, the general injury far preponderates over any amount of benefit accruing to a particular class. But does England exhibit this condition? Does she present a permanently languid demand for labour, low wages, or a stationary population? These evils should be proved to exist, to warrant the denouncement of the farming interests. In reviewing the argument it is not necessary to go to extremes on either side; the rate at which corn is produced has been explained on intelligible principles, and these must unavoidably form the correct ground-work on which to establish restrictive measures.

Most intelligent persons are accustomed to compare the reasoning they meet with on a subject of this kind, with that of some individual of eminence,

to whom public opinion has accorded the distinction of absolute authority. Since, then, if certain elementary points be conceded, the doctrine here inculcated is not incompatible with the principles of Adam Smith and his followers, it may be desirable to explain what these elementary points are. They are certainly momentous; and when I remark that those ideas of Dr. Smith appear radically and essentially erroneous, I cannot for a moment, I hope, be thought so deficient in judgment, as to undervalue that first and most celebrated of economists in his opinions generally. The first of the views which I conceive to be erroneous, is that of supposing corn to be the regulator of value; the second, that of the imputed inutility or disadvantage of unproductive labourers. The present performance touches mostly on these points; and it has been thought expedient to particularize them, solely to assist in demonstrating in what my views differ from this other sect of economists, and defining the fundamental propositions from whence an entire difference of system may spring.

Before we conclude this part of the inquiry, it is necessary to advert to one or two further arguments of considerable weight; though, as they are more immediately before the public, they may here be despatched briefly.

The danger of putting a country in dependence upon foreigners for subsistence, has often been demonstrated with great force. By many states-

men of the first eminence it is deemed so momentous, as to be insuperable and decisive of the question. The arguments against it at all times have appeared to me unsound and puerile. In the first place it is said, that the inconvenience can only exist during a state of war; and that it is preposterous to forego solid advantages in peace, merely to avoid doubtful evils, which may proceed from an unnatural state of things at some future period.

Even contemplating war as accidental, and not admissible as a rule by which to shape political measures, still its evils may be so signal and extensive, as far to exceed all previous advantage. What would avail the much-applauded social intercourse of nations, if, by the sudden caprice of their rulers, those ties should be severed, and one of the two abandoned to privation, misery, and famine. But, it is urged again, one state is as much interested in getting rid of her raw produce as the other of her manufactures. Mr. Whitmore's pamphlet enlarges upon this point; and to show the force with which it acts in all nations, affirms that it was the closing the ports of Russia against this country, during the last war, that, more than any other circumstance, roused the nobles and the people to throw off the yoke of France. In examining the validity of this argument, there is just one little circumstance to be attended to. Are manufactures equally indispensable to the physical wants of man as food? If not, then the country producing the latter has undoubtedly the

advantage; and from all that we know of belligerent rights, she will exercise it. Will any one assert that individuals can prevent this? How easy is it, with the smallest management, to animate men to hostilities against an enemy—to oppose the acclamations of one class against the murmurs of another, and to obtain delay, by holding out hopes of future benefit to all. I fear Mr. Whitmore imagines that the people have more to say in these matters than unfortunately they have: If we rely solely on the good will of our neighbours, it is probable we shall one day discover it to be but a woful and a frail dependence.

Another consideration remains. Is it natural or reasonable to suppose that we can greatly increase our supply of manufactures to foreign states, and hope to make it permanent? To bring the raw materials from a distance of many thousand miles, and to transport them in a finished state back to the place from whence they came, is at best an anomalous and a singular traffic. What guarantee have we for the continuance of the policy of foreign courts towards us in this respect? To state a practical instance, are the people of this country aware of the sentiments held by the President of the United States of America? He inclines wholly to manufactures, and extensive concerns are at this moment establishing themselves in Massachusetts with prodigious alacrity. They not only manufacture coarse cottons for themselves, but they export them to Columbia,

Why may not this policy extend and be imitated by other countries? National rivalry will often prompt to measures which an abstracted view of the case would never have contemplated. Mr. Malthus has fully and ably illustrated this subject in the fifth edition of his *Essay on Population.* Some attempt has been made at reply, in the Art. "Corn Laws," in the *Supplement to the Encyclopædia Brittannica,* but it is merely an attempt. It proceeds on the vague and general assumption, that the rulers of mankind are philosophers, united in brotherly love, and disposed to inspire their people with sentiments, not so much adapted to the aggrandizement of individual nations, as to the advantage of them all.

To this philanthropic consummation there are some few perverse obstacles, such as, I believe, will prove insuperable. A cheap loaf is a good thing, but the most sanguine enthusiast must admit, that in England it cannot be obtained without many drawbacks. It may, as a last resort, be asserted, that our corn-laws defeat their own purpose, and are inadequate to their end. This, however, is quite another question, and will be examined in its proper place.

Section IV.

EXAMINATION OF THE EXPECTED BENEFITS TO ACCRUE TO THE MANUFACTURING INTERESTS FROM A FREE TRADE IN CORN.

After the statements just exhibited, it will at least be conceded, that to justify a change of system, the advantages to flow to the manufacturing interests should appear clear and positive. Practical men, engaged in the export trade, rarely embarrass their thoughts with an attention to the principles by which imports are regulated. They merely consider the price at which their commodities are selling in the foreign market; and if this yields profit, they take it for granted that the nation partakes of the benefit which they themselves enjoy, and dismiss the subject as one too clear to demand further investigation. Dropping, then, the position regarding the demand for imported articles, let us now inquire if the opinions of the manufacturers merit assent to the degree affirmed. The statement is, that independent of the additional trade derived by importation of corn, our products in general will become so much cheaper, that we shall, with our skill and capital, be enabled to manufacture for the world. The manufacturer considers the present cost of his wares; thinks how materially they would be lowered if labour were as cheap as it is on the continent; and

discovers that many markets would be surrendered to him in which he now finds it almost impossible to sustain the competition of foreign rivals. To all this there is one general answer: You have entirely misunderstood the causes of high wages. But even taking the Corn question on its own grounds, it yet remains to be proved that cheap food would procure cheap labour to an equal extent. In our view of the principles of combinations, the mode in which the conduct of workmen is influenced was fully explained. Men, paid according to the quantity of work they perform, have much in their power when they find themselves in request; and does any person possessed of the least degree of experience believe, that when they so find themselves in request, they will consent to abridge their wages? They are much more inclined to raise their tone when they find they can earn, with more ease than ever, that which they have been accustomed to receive as a fair rate of wages. This may be effected by either of two causes: by cheap food, or by high market wages. The first is obtained by the importation of corn; and as it is assumed that business will become brisk in consequence, the second would also follow. In this juncture, therefore, every thing conspires to allow the workmen to demand and to obtain their own terms. Their love of ease would soon prompt them to combine, and to abate the intenseness of their application to their particular employments. One mode alone of avoiding the evil presents itself.

To return to our old English method of the master personally superintending the workman, fixing a prescribed task to be performed within a given time, watching not only the labour, but the conduct and the morals of those under him, and firmly binding them to him by establishing a reciprocity of interests, and giving them the assurance of a paternal concern for their welfare under every vicissitude of circumstances. In the present structure of society this is absolutely impossible. What officious partisan of the working orders would counsel them to relinquish the high-sounding appellation of operatives, and sink to the opprobrium of submission to their employers. No, they must maintain their high prerogative inviolate. If these things then be true, it is decided that the manufacturer derives not the benefit of cheapness of food.

Facts must here be our sole guide; and it is for this reason that, out of a multiplicity of others, I give the evidence of Mr. Milne before the Committee of the House of Lords, in their inquiries on the Corn Laws in 1814.

Patrick Milne, Esq., M.P., *examined.*

Q. Can you state to the Committee any particular instance of agricultural work that you may have contracted for in a dear year and a cheap year?—A. I can state a very strong instance that happened to myself last year; I wished to enclose a farm at the latter end of the year 1812, or the beginning of 1813; I sent for my bailiff, and told him that I had enclosed, about twenty-five years ago, a good deal of land, that the enclosure at that time cost me

3*s.* per ell of 37 inches; that a neighbour of mine, two or three years ago, had made similar enclosures, which cost him 5*s.* per ell; that I thought he had paid too much, and that I ought to do it cheaper: the answer I got from my bailiff was, that provisions were very high; that the labourers were doing double work; and that, of course, there was less demand for labour; and that he could do those enclosures last year at a cheaper rate than I had ever done them; and he actually executed this enclosure at about 2*s.* 6*d.* per ell. He again came to me, and told me, that I had proposed to him to do some ditching and draining upon another farm, which I did not intend to do till about a twelvemonth after, from the circumstance of not being fully in possession of the whole farm: he requested I would allow him to do it that season, as he could do it so much cheaper; and that a great many labourers were idle from having but little work, in consequence of those who were employed doing double work. I desired him to go on with that labour likewise, and he actually contracted for very large ditches at 6*d.* an ell, which I do not think I could now do under from 1*s.* to 1*s.* 6*d.*, in consequence of the fall of provisions.—*Minutes of Evidence, Lords' Report, Corn Laws*, 1814.

"By the register of prices of wheat, kept by Eton College, we find, that in 1805, the price was 88*s.* per quarter; and in 1811, it was 108*s.* Compare with this the following evidence, also to the Lords' Committee in 1814.

The Earl of Mansfield, a member of the Committee, delivered in a letter from his factor in Scotland, Mr. James Wood, containing answers to a set of queries, from which the following are extracts:—

Q. In what year of the last fourteen was manufacturing labour the lowest?—A. In the year 1811.

Q. In what year of those fourteen was manufacturing labour the highest?—A. In the year 1805. The average price of weaving for the last fourteen years appears to be 6*s*. In 1805, 9*s*. was paid for weaving a piece; and, in 1811, the same work was done as low as 3*s*.

These statements sufficiently demonstrate, that labour fluctuates on principles quite adverse to the rate of food. A short time back, it was admitted on all hands, that there was a brisk demand in nearly every employment; and, perhaps, there are few persons engaged in business who did not, either directly or indirectly, discover the accuracy of what is here assumed.

During the last summer, I was personally informed, that a vessel freighted for the Columbian republic was detained several days waiting the execution of orders for articles from Birmingham. After complaining of the remissness and neglect of the manufacturers, a person was despatched to the spot, and found the state of the times there such, that the men would not attend to their work. This day there were the races, and the next a prize-fight, and other similar causes of idleness—proving that whatever delay might be experienced from the increase of orders, business was still greatly retarded by the want of industry among workmen. A short time afterwards another incident, which came under my own observation, occurred, to prove the state of feeling

among this class. A merchant, who had given a large order to a manufacturer, was proceeding to give some minute directions to one of the foremen, when he was taken aside by the master, and entreated not to let the men know the extent of his order, as they would, in all probability, strike work immediately on finding such extensive necessity for their labour.

These are not insulated cases. Should any reader find it difficult to reconcile to his humanity the conclusions to which they lead, and deem them harsh or arbitrary towards those entitled to our compassion, I entreat him to acquit me of the blame. They are no speculations of my own; but I have made every inquiry, and I feel myself compelled to acknowledge that the facts stated are incontestably indicative of the general feeling. I have attempted to trace the matter to its source, and have thus shown the difference in the relations of labour, as regards the paying of men by the day or week, and paying according to the quantity of work performed. In considering this subject, those writers, preposterously termed the advocates of the poor, such as Mr. Brougham, Mr. Mill, Mr. M'Culloch, and also Mr. Jeffrey, never touch on the main branch of the question. A few subordinate common-places are uttered, and enlarged upon—but the real difficulties, though of vital importance to the subject, are most conveniently disposed of by some such phrase as—"It is noto-

rious,"—"It is self-evident,"—and, "No man of the smallest information can doubt," *&c. &c.* This large demand on the credulity of the reader, may be convenient, but it is scarcely reputable. When our scepticism is thus awakened, it not only lowers our opinion of an author's understanding, but it also diminishes our estimate of his ingenuousness.

Unsupported assumption commands little respect from men practically engaged in the details of business, and it is to them, after all, that the matter must be referred for decision. It is very common among them to hear it remarked, "These new-fangled notions of equality and freedom of labour may be beautiful in theory, and very fine philosophy, but they wofully impede our business." To such, then, I address myself, and it is they who clamour for cheap corn. Do they imagine that when that cheap corn arrives, their workmen will immediately lower their wages? If they do this, I shall not only renounce my argument, but rejoice in its unsoundness. But, first, let them carefully contemplate, not abstract principles, but the lessons of their own experience; and before they put forth petitions, and express so vehemently their sentiments against the present system, it is more than probable they may admit that the case is less clear than they deemed it, even as regards the advancement of their own interests.

Abandoning the consideration of the question in this light, the whole gist of it may be directed by

the liberalists to the concerns of the poor. It may be said, they now work too much for their constitutions—they should have the ability, not only to live better, but to enjoy more leisure. It is apparent that this is surrendering the main part of the contention. If there be injury to the agriculturist, without benefit to the manufacturer, there must be a diminution of the national wealth. But then, it is said, society will more tend to an equality. There will be less luxury on the one hand, and less privation on the other, and thus will happiness be promoted. Now, if it could indeed be demonstrated that this amelioration of the lot of the poor could be effected, then I would abandon to the winds the prospect of advantaging either landlord or master-manufacturer; but, unfortunately, such speculations are altogether delusive.

The population principle would at length multiply labourers to the full demand for employment, and if their prosperity would be temporary, as would in reality be the case, the distress which would ultimately overtake them, would infinitely outweigh the alleviation they had tasted, but of which they had fallaciously expected the continuance. Whenever the market-rate of wages is high,—whenever men can, with ease, procure the subsistence to which they have been accustomed, all writers allow, that an increase of population is the immediate consequence. If the means of sustenance have been previously of a very inferior description,

it is probable that a higher scale may be attained and perpetuated. But when it includes a fair proportion of comforts, the additional means will not be spent on extra objects; the labourer will rather consult his ease, and relax his efforts, until the competition of his fellows again deprives him of such gratification. To those who imagine that a mere increase of numbers increases the power of a country, it may be further observed, that it is more than questionable if such augmentation could be preserved—it would, in all probability, be checked violently at last, by privation, or other calamities horrible to contemplate. Labourers are dependent upon the general prosperity of the country: unless the superior circles flourish, any appearance of prosperity that may flash upon the former is but a fitful gleam, prelusive of disaster to themselves. This fact should make us guarded in our decisions upon the first blink of apparent advantage. To use a very homely, but not inapplicable illustration, it is banqueting on a sumptuous breakfast, to which a meagre dinner must follow.

What I have here contemplated, I believe to be the certain consequences of the projected change. Stir and excitement would unquestionably exist, the working classes would reap the benefit, and they would exult with premature joy on the happy improvement. Those who confine their observation to the present, and regard not the future, may, indeed, be excused in their clamour; but can any

statesman be justified in yielding to such influence? No axiom in politics, perhaps, is more decided than that a great fluctuation in wages must be injurious. There is, in truth, no short step to improvement! In the present condition of England, to shape measures merely for the encouragement of population, is, in my opinion, the exact reverse of true policy. And what less can be said of the proposal to convert a hale and robust race of agricultural labourers into a puny, sickly population of town-pent manufacturers. To keep up the physical endowments and capabilities of our species, appears to me an imperious duty; and when, in fine, we dwell on the many estimable attributes of an agricultural life; its simplicity, its morality—but the theme is of too great a magnitude to be done justice to in a cursory notice; it may, however, be safely left to the reader's imagination.

Section V.

EFFECTS OF REMOVING PROTECTING DUTIES ON OUR PRINCIPAL MANUFACTURES.

The principles of Free Trade come now to be considered in a very different light. The necessary consequence of a free importation of corn must be the removal of all prohibitory or protecting duties upon manufactures. The President of the Board of Trade stated, in the House of Commons, that the recent innovations had been proved to him to be beneficial by one striking circumstance, which was, that however strenuously any specific party claimed protection for their own particular business, they invariably admitted that in all other cases the new system was correct and sound. So far then as restrictions are partially removed, it is but equitable to conclude the rule to extend to all departments.

It is laid down as a fundamental maxim, that the cost of an article is chiefly determined by the rate of wages; and that if wages be higher in this country than abroad, we cannot compete with foreigners. I maintain the truth of this position. If an artisan on the continent be paid but 10*s.* a week, whilst one at home receives 18*s.*, it is an absurdity to suppose that their manufactures can be produced at equal prices. But it has been said that wages may be as-

similated. I cannot admit it. Let the taxes be remitted, and a reduction of 1*s.* may probably follow. Admit Polish corn, and 2*s.* more may be taken away. There will still remain an excess of 5*s.* untouched, which stands beyond the reach of any direct enactment of the Legislature. It may indeed be urged in reply, that if we distress the workman, agreeably to my own principles just stated he will perform more work; if to gain 2*s.* in the way of cheaper food be no object, why not, on the same principles, go the whole length of the 8*s.* difference in wages? Slight reflection will show this retort to be inapplicable. Dismissing the consideration of the great difference in amount, and for argument's sake laying the claims of humanity aside, the operation in one case is temporary, in the other permanent. Why have we denied the benefits accruing either to the master-manufacturer or his workman from cheap food? Not because they were unreal in themselves, but because from concomitant circumstances they could not continue, as a reaction was created. But, on the other hand, break down the barriers which preserve the population in their present condition; constrain them to work for lower wages; deteriorate their mode of living; and you not only destroy the happiness of a vast majority of your fellow-men, but you level a deadly blow at vital and permanent advantages derived by capitalists in the extended demand for their products. There is a prodigious difference between preventing

an inefficient increase of the market-rate of wages or lowering the price of food, and depressing the natural rate; and it is difficult to conceive how the latter could continue, if you admit foreign competition. Those who seek to escape from this argument by insinuating certain doubts as to the comfortable condition of our working orders will still find themselves involved in a dilemma. Do they admit the fact? Surely then it is desirable that such habits be preserved. Do they deny it? Why then is it not equally desirable to establish them? Yet if the Free Trade system obtain, they never can be established, because the wages of your workmen must become the same as those of foreigners, and the condition of both must consequently assimilate. To increase their prosperity would require the concurrence of other governments.

Having thus shown that, so far as labour is concerned (admitted on both sides to be the main point of the inquiry), it would be impolitic to allow a perfect reciprocity of trade, it may be proper to inquire what other advantages are possessed by England to justify the measure. These, we believe, may be comprised within two heads, capital and machinery. That they are of vast importance, and have hitherto enabled England to surmount every opposite disadvantage, it is by no means attempted to dispute. But it would certainly border on delusion to maintain, that they are of a permanent nature, and would, were commerce made free, remain

exclusively with this country. Ever since the system of credit attained its present magnitude in matters of traffic, it is well known to practical men how easily, with adequate security, the means for prosecuting extensive business are procured. Now adequate security is found proportionably as there is prospect of success, and a prospect of success arises when in the nature of things there is some leading advantage to prompt to the commencement of an undertaking. Cheapness of labour then is the advantage possessed by rival nations; and as credit becomes gradually established, the obstacle arising from deficiency of capital must diminish. Undoubtedly, England will long retain her superiority; but it must be conceded that it would every year diminish, and cannot therefore be safely adopted as the basis of a system, by a statesman mindful of the future.

Some mistakes prevail, too, regarding machinery. I am of opinion that the great perfection to which it has been brought in various departments of industry is attributable to the vast demand for articles in the manufacture of which it has been chiefly employed; and unless we arrogate an inherent superiority of genius in our own countrymen, it is futile to imagine that we shall go on multiplying inventions calculated to outweigh opposing disadvantages. With regard to the machinery now existing, foreigners can, assuredly imitate it; and nothing is more obvious

than that the more you open the trade, the more you present them facilities for imitation.

The propriety of permitting the exportation of machinery forms a most interesting question, and much information was elicited through the evidence given to the Parliamentary Committee in the Session of 1824. As to those witnesses who were examined, touching theoretical principles, it is scarcely necessary to advert to them; silence, perhaps, is better adapted to preserve that implicit deference which is habitually yielded to a Parliamentary document. But as the statements of practical men are ever entitled to attention, I may be permitted one or two observations on the evidence of particular engineers of eminence, though I am not able to concur in their views. Mr. Martineau and Mr. H. Maudslay appeared confident that this country would benefit by a legalized exportation of every description of machinery. The arguments on which they grounded this conclusion may be condensed into three: 1st. That it would establish, or greatly increase, an additional manufacture in this country. 2dly. That if we do not supply our rivals with machines, we excite them to make them for themselves; whilst from our superior science, and the increased skilfulness acquired by extended practice, we should retain exclusive possession of this valuable branch of industry. And 3dly. That added means for the application of those machines to manu-

factures in other nations could not, correctly, be presumed to supersede our own; for, independently of the time required to establish any extensive manufacture, our own improvements would advance in an equal ratio with those of foreigners. In regard to the first consideration, it resolves itself into the balancing of the benefits flowing from increase of employment in making machinery, contrasted with probable diminution in our leading manufactures when our rivals acquire the same facilities for their fabrication as ourselves. If by perfect freedom of export this be permitted, can it, for a moment, be doubted that their production would amazingly increase; and how must this, eventually, operate upon the disposal of our own goods. This appears to me the principal part of the question; and, I apprehend, the benefit derived by the machinist would form but an insignificant set-off to the vast injury inflicted on the manufacturer. The second point has been strenuously urged by those best acquainted with the state of the useful arts in the two countries. That we decidedly possess the superiority in the operative branch of mechanics, I believe is beyond all doubt; but, perhaps, it may be imputed by national partiality to causes more flattering to our pride than accordant with truth. Many have declared that science is almost exclusively indigenous to Great Britain, or, at least, that it is a field in which we outstrip every competitor. This sentiment has been

stated in a variety of shapes, and so often repeated, that it is cordially believed by almost all classes; as well as that in natural capability and powers of mind, the French are greatly our inferiors. The better informed, and the more liberal minded, will, however, accord a somewhat higher degree of credit to the country which has produced a La Grange, a Cuvier, and a Laplace. They will esteem the popular conclusion not altogether so decisive. In regard to those at the top of the roll, and by them it is that the tone is given to the community, we shall, perhaps, gain little by comparison. Whatever may have been our former glory, we seem now to be quietly reposing beneath its laurels; profundity in science, at any rate, seems not to be exactly the present characteristic of the British nation.

But it may be said that this observation only relates to the theory of science, which enters not into the concerns of commerce. There is the old saying, that practice makes perfect, and if attended to, it will frequently dissipate conclusions ascribed by self-esteem to superiority of parts. The General, constantly engaged in active service, will become a greater adept in the art of war, than he who conducts but one or two campaigns. The youth entering into trade, will acquire far greater experience in a house of large business, than in one whose concerns are confined. Equally will the operative workman prove dexterous or otherwise, in propor-

tion to the demand for his labour. It is, therefore, entirely fallacious to trust to superior skill as a safeguard from competition. If we reflect on the labours of Bonguer or Groignard in the art of ship-building, or of Roudelet in joinery, and suppose a great demand seconding their efforts, through the improvement it will produce in the skill of workmen, we shall then have cause to doubt our national superiority. In reply to that part of the argument which maintains to disallow the exportation of machinery, will lead the French to set about making it for themselves, it has only to be observed, that there is less opportunity for them then to acquire the peculiar advantages and improvements which we possess already; and that, if the main consideration be to uphold our leading manufactures, any proposed or expected benefit of an opposite nature sinks in comparison.

The point which remains to be examined has generally been adduced as decisive. When Mr. Arthur O'Connor was questioned in the proceedings relative to the Irish Rebellion, as to the probability of Ireland equalling England in manufactures, he replied, "Yes, if England stands still." There is much epigrammatic force in this reply, but a closer view of things may lead us to dissent from the inference implied. It supposes a prospect of unlimited improvement, and that the elements of production are, in other respects, equal. If, however, it has been shown that the advantages of capital and machinery are accidental, and that they

are almost always established out of an active demand for them, it is perfectly clear that, by whatever length England now distances any other country, that distance must progressively diminish, and her relative superiority, in extent of manufactures, be reduced. If labour were at the same rate in this country as in France, then Mr. O'Connor's answer would apply, and let her improve to what degree she might, we might expect to advance in a corresponding ratio. But the rate of wages being much higher in England, and labour forming the chief item in determining cost,—by many, indeed, supposed the sole item, as all machines must be made by labour,—it is perfectly impossible to conceive that our manufactures can advance in proportion to those countries where indefatigable efforts are exerting to establish them. Should we be superseded in foreign markets, as would probably be the case, there would, instead of increase, be palpable diminution. From these considerations, therefore, we can easily judge of the propriety of giving to formidable rivals every facility to prosecute the same employments as our own.

When trade diffuses itself extensively, it is always with accelerated effect. Activity in one branch of business gives stimulus to another; and thus by reciprocity of benefit the progress is most rapid in states where the natural advantages and elements are considerable. Let us contemplate for a moment, the effects of abandoning protecting duties on our prin-

cipal manufactures. The French manufacturer, finding a great market open to him, which, through the nature of things he ought to supply, and from the cheapness of his goods keep possession of, would strain every nerve to the utmost; and through the extended operations of men similarly actuated, new facilities and the removal of old obstructions would naturally follow. Many difficulties, hitherto deemed insuperable, would give way before a very active demand; and if I mistake not, English capital would flow over to invigorate those employments so likely to prove detrimental to our interests. This is no assumption. It is practically occurring in the silk trade at the present moment. The great activity and consequent high market-rate of wages now prevailing in this branch of manufacture, was stated in an early part of this work. What then will be the effect of these high wages? Doubtless the master-manufacturers, as in other places, will neglect no expedient to facilitate the division and abridgment of labour; and we may thus look for an eventual double operation, leading to cheapness, improved machinery, and the fall of wages to their ordinary level. For a striking corroboration of the reasoning I have advanced, I would appeal to every silk-manufacturer in the kingdom acquainted with the trade of Lyons, to declare if there be any inferiority in French machinery to our own. I will go further, and undertake that the reply shall establish, that the exact reverse is the state of the case. From the ac-

tivity of the demand in France, and the languor of that in England, the wages in this employment are exactly equal, a sufficiently-convincing proof that in this particular we possess no adventitious advantage. Why then is this the case? Incontestably for the plain reason above stated, that our rivals have had greater practice. Establish your free trade system, and you will assuredly witness the same result, or an approximation to it, in other employments. I am not ignorant that it takes a very long time to establish, with permanence and success, any great manufacture; and it may be contended, that almost from time immemorial the fabric of silk has flourished in France. Allowing to this remark all the weight it can claim, a little reflection will show, that it still only impugns the argument in degree. The fact is, that the French greatly excel us in this particular manufacture, both with respect to science and machinery; and even supposing them at some distance behind us in other branches, it is manifest that, under perfect equality of trade, we must be to a great extent superseded. Accordingly as immediate labour enters more or less into the manufacture, will be the rapidity with which that event will ensue; and no part of the inquiry merits more attention than the axiom, that improvement in machinery and division of labour will keep equal pace with increase of demand.

It has frequently been attempted to prove the futility of restrictions, by triumphantly advancing

what is termed the notorious fact, that, in markets open alike to the commodities of both countries, the British, from greater cheapness, had the decided preference. The argument, however, is more strong in appearance than in reality. M. Talleyrand, in his celebrated work on Colonial Trade, has sufficiently explained the reason for this preference, and shown that the great length of credit given by the English merchant to the Americans is the true cause why the commercial dealings of the latter with England are so much more extensive than with other countries, equally capable of supplying the same species of merchandize. Were a storekeeper, either of the United States or of Columbia, to visit Europe, for the purpose of selecting an assortment of silks or woollens, with other articles of minor importance, and to bring along with him dollars to their amount, England would not be his market. He would find that, wanting no credit, he could lay in his goods cheaper in France; and, if that kingdom possessed equal facilities for shipping and transfer with England, his advantage, on a large purchase, would be most considerable. The length of credit here particularized may not be given directly by the British manufacturer to the American trader; there is frequently the intervention of merchants, who serve the convenience of both, and who, from the more advanced state of our commerce, and better division of labour, constitute a much larger class in this country than in France;

but still the ultimate operation is the same, and the causes of the preference we have is adventitious and unsubstantial. Besides this circumstance, freights from France are higher, commercial intercourse is less frequent, and the constant receipt of fresh goods, so desirable on the opposite side of the Atlantic, cannot be secured. Intrinsic cheapness, however, is the main consideration, and will ultimately bear down all opposition. Two circumstances will conspire in time to change the channel of trade. Capital, in all new countries, is limited, profits are high, and it is found more advantageous to have the command of large means of trade, than to seek cheap purchases for ready money. If the average of profit in America be 25 per cent., it will be manifestly more beneficial for the importer to give 10 per cent. higher price to the British manufacturer, receiving extended credit, than to go to the French manufacturer with ready money. But when the supply of capital increases in America, profits will fall; the relative advantage of long credit, contrasted with the rate of profit, will consequently diminish, and the importer will naturally go for his purchases to the cheapest market. On the other hand, as industry prospers in France, the ability to give longer credit will increase, individuals will be tempted to push their business more, and greater accommodation will be afforded. Coincident with this mutual operation will arise, improved facilities of intercourse, the mode of carriage

and conveyance generally will be improved, in proportion to the extension of business, and competition may then come to be held in less contempt than appears at present to be the fashion.

This view of the subject is pursued for the purpose of showing more clearly the necessary effect of the admission of French goods into this country. If it be imagined that we should continue successfully to compete with them in England, on the same grounds as we do now in America, it will speedily be discovered that the assumed parallel does not at all apply. Branches of English commercial houses would be established in France, and of French ones in England, and thus would facilities for sale be simultaneously introduced to accommodate all classes of purchasers.

The advocates for unrestrained competition frequently advert to another incident, as illustrative of the soundness of their opinions. It is stated that there is a predilection for French goods, as being both cheaper and more fashionable; and so effectually does this prejudice operate, that goods are known to have been made in Glasgow, and thence conveyed to Dover, to get there the name of French manufactures. Admitting this fact, it still does not invalidate my views. Supposing that, from our capital and machinery, we excel the French at present, what I maintain is, that if we establish the system of free trade, 1830 will present to us a greatly altered state of things, and 1835 a still greater. Be-

fore France can greatly augment her commerce, she has many difficulties to overcome; these, perhaps, are our best security, as I shall presently endeavour to explain. In the mean time it is only to be observed, that to open to her our markets is the most essential mode of rendering her assistance.

A restrictive system seems therefore necessary for our protection, and expedient upon the principles of enlarged policy. It requires no great minuteness of inquiry to point out the grounds upon which it should be framed. To such a degree as the wages of labour are higher in this country, to a corresponding extent is it necessary to establish protecting duties on our principal manufactures. This broad basis would allow a fair and equitable competition, to the advantage of industry in all its branches. National rivalry depending solely upon skill, leads to an improvement both in the fashion and the fabric of any particular article. For this, then, scope should be freely given; but I believe that to do justice to our own subjects, duties, on a somewhat different scale from that commonly supposed, are indispensable.

It will be seen that these views by no means militate against the general position, that each country possesses certain natural advantages, to cultivate which is more conducive to prosperity than to seek other employments. This well-known doctrine of Adam Smith may still be allowed; but some further considerations at the same time present them-

selves, which must not be neglected. In the first place, by abandoning some manufactures, for the prosecution of which we have not facilities equal to those of other nations, national loss will ensue, unless we can compensate for them by the increase of others. It is contended that they will be so increased in a multiplied degree; but it is manifest that industry thus dependent for support on elements abridged in number, must be more precarious, and the suffering caused by loss of employment must press with much greater severity, should sudden calamity befall the nation. No trade dependent on the supply of foreign states with manufactures can ever be relied on as permanent or secure; all internal branches are certainly not likely to be visited with distress at the same time; and if, for the sake of a more profitable distribution of industry, the principal employment in this country centres in cottons, or in hardware, then when unexpected stagnation ensues, no resource is left the artisan, and inevitable distress awaits him. If the consideration of the happiness of the lower orders come at all into the question; if it be desired to prevent, as far as lies in the ability of human regulation, the sudden transition from comfort to privation, then surely no means are so suitably adapted to that end as variety of employments, so that the workmen, on being deprived of one, can enter upon another at once, and almost without difficulty. Thus if, from some casualty, we

lose our northern market for woollens, the woollen weaver may betake himself at once to the weaving of cottons. If again the demand for cotton goods stagnate in the South American market, the cotton weaver may turn to that of silk, and there the employment must be less subject to fluctuation, depending as it does principally upon home-consumption.

It may then be justly deemed questionable, if real benefit can accrue from the rigid adoption of a system, of which the effect is to withdraw a fostering protection from manufactures, not absolutely indigenous, but which have long flourished and attained to extensive growth among us. If silks require a higher protecting duty, by 10 or 15 per cent., than other leading manufactures, any perversion of industry here created would, if impartially weighed, be found to inflict an exceedingly trifling injury on the total national production; an injury, at the worst, incommensurate to the advantage of preserving to our mechanics an additional resource against probable fluctuations of trade. Besides, I hope I am not necessarily sceptical, when I cast a doubt upon the assumed increase in other employments. Notwithstanding the simplicity of adjustment, in the systems of theorists, in the actual intercourse of the world much difficulty is encountered; and as the human body is more and more debilitated by every succeeding attack of disease, so may the body politic

be so weakened by repeated and abrupt transitions as utterly to preclude the recovery of its pristine vigour.

Nothing is here advanced, having a tendency to impose uncalled-for exactions on the produce of other countries, which we cannot easily produce ourselves. Akin to the above observations may be supposed the wish to encourage the consumption of British articles, as opposed to all articles of foreign production, though of different descriptions. The exact reverse is intended; it is where articles are of the same description, and clash together, that restrictions are advocated. It may, for example, be prudent to protect the beer of England against that of France, or any other country, but it is egregiously bad policy to protect English beer against French wine. If the palate prefer the latter, why should it be denied? there is little prospect of our ever cultivating the vine. This equally applies to some manufactures. It is not a little singular that the legislature seems guided by principles diametrically opposite: while, by a species of infatuation, protection is withdrawn from our own products, that they may be superseded by others of precisely similar description from abroad, foreign luxuries, which we never can produce, are reprobated as injurious to the homely habits of England! One thing only is required, that these foreign luxuries be a little dearer than our own commodities, in order to preserve that graduation of wants through

which, when calamity befalls, an inferior mode of living may create a re-action, and counteract the evil. To have the produce of every clime wafted in abundance to our shores, to enable the humblest of our population to display, at every meal, his modicum of the luxuries furnished from the remotest regions of the globe, is the legitimate province of commerce, and the noblest achievement a government can contemplate, to promote the industry, the power, and the happiness of its people.

Section VI.

EFFECTS OF FREE TRADE UPON OUR NAVIGATION SYSTEM.

The celebrated Navigation Act of Charles II. has furnished a theme on which so many eminent writers have enlarged, that scarcely any question of state policy is more generally known, or so universally appreciated. The recent innovations made upon it have been explicitly detailed in the ample discussions which took place in the last Session of Parliament. The right of exclusively trading to our foreign possessions was regarded, for a century and a half, as the leading characteristic of our navigation system, and the main support of our commercial superiority. That right has now been abandoned.''' The Colonial Intercourse Bill permits European nations to trade freely with our colonial possessions, and we are now to rely solely on the progress we have already made, and the natural means we have for raising seamen, to preserve our maritime preponderance. It will not be necessary to enter into minute details, touching subordinate points, the object being to fix the attention on general principles, or on the broad merits of the question, and to inquire if we are justified in relying on internal means for the preservation and supply of our marine.

In the first place, it is apparent that this country possesses, comparatively, but scanty materials for ship-building. We are dependent on foreign countries for the very elements with which we have to work. This is a most serious drawback, and imperatively requires to be compensated by some advantage. When, then, we come to inquire what else is wanted to build a ship besides materials, we find it to be labour alone. Now, in this case, it is contrary to reason to suppose that we could compete with foreign countries in the building of ships. America will surpass us, from her exhaustless possession of materials; the Northern States of Europe will surpass us, both from superiority in materials, and in cheapness of labour. Here, then, the principle of free trade is not only erroneous, but it is decidedly pernicious. Wipe off the national debt to-morrow, and reduce the price of wheat to 30*s.* a quarter, and still you will be unable to build a ship as cheaply as your rivals. Ship-building, however, is but of secondary importance, compared to the raising of seamen. Here, obviously, wages form the paramount consideration. Every one, it is presumed, is aware, that wages, in any particular department of industry, are regulated by the rate paid for labour in general. They vary accordingly as the employment is irksome or agreeable. When, therefore, the rate of ordinary labour is high, the wages of seamen will be high also; if certain habits exercise any influence on the former, they

equally extend to the latter. But it is not enough to state that they proceed in equal ratio. It can be proved that the latter go much farther. The love of adventure, the desire to see other regions, the temptation of frolicsome enjoyment when on shore,—these are the inducements to a seafaring life. On the other hand, there is inevitable hardship, exposure to disease from unhealthiness of climate, and the chance of shipwreck. Between these conflicting objects the sailor makes his choice; and wages are, as it were, determined by a contrast of the temptations to go to sea, with the inducements to stay at home. But it is of importance to reflect, that the former are of a definite nature, while the latter are unlimited. You cannot increase the feeling of curiosity, or the desire for adventure, nor can you diminish the hardship and the risk incidental to navigation; but you can greatly improve the condition of labourers at home. When, therefore, the wages of common labourers rise, from improved habits, those of seamen must rise in a greatly augmented proportion. A youth, who sees his fellows all around him suffering privation, will look upon the alternative of going to sea with far other feelings than where he sees them living in the midst of comforts. If the scale of living among our lower orders be improved, if the working classes can now attend lecture-rooms and institutions, and participate in enjoyments unknown to their forefathers, it is folly to suppose that employments, unsusceptible of cor-

responding amelioration, can escape the effects of a comparison so disadvantageous. Thus, in time, the very idea of a seafaring life may come to be regarded with disgust, and the long-celebrated mariners of England be succeeded by a race who shall exhibit as great an aversion to navigate our Channel, as do now the degenerate sons of Venice to plough the Adriatic.

Let it not be inferred from what is here suggested, that I would characterize the improvement of the lower orders as an evil. These pages exhibit proof sufficient to the contrary. Perfect freedom of trade is now the ruling impulse, and I do but depict some of its consequences. I persuade myself it has been incontrovertibly established, that to make intercourse fully open, and to admit foreign ships on the same terms as British, is to place it physically out of our power to maintain a competition.

As reasoning is ever best supported by an appeal to facts, I shall here exhibit the stated cost of vessels built in foreign and in British ports, the rate of wages actually paid, together with a view of the changes which have taken place in the marine of the principal states within the last few years.

The following minute account was given in by Mr. Wm. Tindall, to the Parliamentary Committee on Foreign Trade, in the year 1821, and the result of every inquiry on the subject induces me to believe that it may be relied on as accurate:—

A STATEMENT of the COMPARATIVE COST of three Ships, built in England, in Norway or Sweden, and in Prussia, of 514 tons British register measurement each.

Tradesmen supplying the respective parts.	England.	Norway or Sweden.	Prussia.
No. 1. Shipwrights' account for the hull	£5,162 5 5	£1,809 18 11	£2,187 18 4
2. Blacksmith	641 11 3	641 11 3	641 11 3
3. Raff-merchant	235 2 9	56 0 0	65 0 0
4. Joiner	143 12 8	47 10 0	55 0 0
5. Ironmongery	39 1 2	39 1 2	39 1 2
6. Plumber and Glazier	26 8 6	26 8 6	26 8 6
7. Tallow-chandler	10 0 0	9 0 0	8 0 0
8. Mast-maker	458 13 0	292 15 8	260 15 8
9. Rope-maker	1,223 3 0	860 17 8	815 11 7
10. Rigger	77 10 0	54 9 0	49 14 0
11. Sail-maker	540 5 8	540 5 8	472 16 0
12. Anchor-smith	175 12 0	175 12 0	175 12 0
13. Boat-builder	90 12 6	40 0 0	60 0 0
14. Cooper	39 9 0	38 0 0	30 0 0
15. Painter	51 0 0	51 0 0	51 0 0
16. Ship-chandlery	89 19 0	89 19 0	89 19 0
17. Miscellaneous labour & expenses	100 0 0	50 0 0	72 0 0
18. Cabinet-maker	20 12 0	15 0 0	18 0 0
19. Brazier	5 11 8	5 11 8	5 11 8
Total cost of each ship	£9,130 9 7	£4,342 15 6	£5,128 19 2
Being at the rate per ton of	17 15 3	8 8 11½	9 19 4

It will be perceived that some of the items for the foreign vessels, of which Mr. Tindall had not an opportunity of ascertaining the exact amount, are put down at the same rate as the British; a mode of proceeding in which he felt warranted by the fact, that the prices of those particular articles were the same, or nearly so, in all the three countries.

It has been usual with many merchants to attribute the very great disproportion, above exhibited, to the heavy duties imposed in England upon ship-building materials; but an attentive examination of the Table will show that this cause operates to a limited extent. The articles burdened with duty are chiefly the timber and the hemp. On its being asked of Mr. Tindall what proportion of the first item (5162*l.*) arose from the high timber-duties in England, he replied, "Very little, the ship being principally built of English oak." The hemp was taken at 40*l.* per ton, of which the duty was 10*l.*; and judging from this proportion, and estimating the quantity of labour forming part of the rope-maker's bill, the duty here must swell the total cost in a comparatively small degree.

It should, however, be remarked, that the hull of the British vessel, being of British oak, renders it intrinsically more valuable than the others, in a proportion, it was stated, of three to two. Part of the disparity of cost is thus removed; but still, to add this difference to the cost of the foreign vessels, would not increase the value much more than 30*s.* per ton.

The expense of victualling, in foreign ships, is 6*d.* per man per day; in British it is 1*s.* 3*d.* to 1*s.* 6*d.*

The rate of wages of British seamen before the mast, may be averaged at 50*s.* per month; lately, indeed, so high as 60*s.* have been given. In the ships of Norway and Prussia, the rate varies from 17*s.* to 25*s.*

Such being the case, it would, indeed, be extraordinary if Great Britain could open her ports and expect to preserve her mercantile marine undiminished. Statements have lately been advanced in regard to the increase in the number of vessels registered within the last year; but that increase is certainly not in foreign trade, it is attributable chiefly to the extended communication with Ireland.

Viewing the most important part of the question, the number of seamen employed for a series of years past, we find it was,

30th September, 1816 . .	178,827
30th September, 1824 . .	168,637
Decrease . . .	10,190

I admit, however, that at the first of these periods we almost monopolized the commerce of the world, and some diminution was therefore to be expected; but still in the general revival of trade which followed, and in the increased intercourse between different states consequent on the peace, it seems we are unable to compete with foreigners.

The relaxation in our navigation system com-

menced within the last few years, and it may be useful to investigate the result. Within this short period the trade of the country has been greatly extended, owing, be it remembered, to our domestic prosperity. A larger importation of every kind of commodity has consequently been required, and we have to see how much of this increase has been brought home by British shipping. This is shown by the following extract of the official return, ordered by the House of Commons to be printed, 11th May, 1825.

In the year 1822 entered the	British Shipping. Tons.	Men.	Foreign Shipping. Tons.	Men.
Ports of England .	1,398,476	82,661	387,812	23,964
„ Scotland .	176,327	11,223	28,156	1,647
„ Ireland .	89,383	5,092	53,183	2,180
	1,664,186	98,976	469,151	28,421
In 1823:				
Ports of England .	1,481,198	96,197	497,149	29,103
„ Scotland .	187,138	11,830	31,571	1,872
„ Ireland .	72,523	4,217	54,276	2,853
	1,740,859	112,244	582,996	33,828
In 1824:				
Ports of England .	1,507,107	90,770	650,128	35,970
„ Scotland .	198,388	12,712	44,752	2,692
„ Ireland .	91,825	5,218	64,561	3,450
	1,797,320	108,700	759,441	42,112

From this abstract it will be seen that foreign shipping has derived the chief benefit from the improved trade of the kingdom; and the increase has

been greatest among the states which possess superior advantages for navigation. The increase in British shipping was principally to be attributed to the coasting trade. Among the foreign states, France is about stationary; so also the United States of America, high wages operating there as in England. But

	1822.		1824.	
	Tons.	Men.	Tons.	Men.
Prussia has increased from	61,746	2,819 to	157,813	6,843
Norway „ „	90,029	4,833 „	154,130	7,969
Sweden „ „	13,022	719 „	25,022	1,356
Denmark „ „	3,435	222 „	23,457	1,520
Russia „ „	15,225	809 „	29,937	1,617
Germany „ „	14,808	725 „	51,926	2,690
Holland „ „	57,704	3,009 „	104,409	5,193

Though the rate of wages in the United States prevents her from possessing herself of the carrying trade so rapidly as some of the European nations, yet she is certainly destined greatly to extend her maritime power. Her abundant supply of every material for ship-building gives great advantages. And one very important circumstance will sooner or later operate still further to stimulate her naval enterprise; it could not be expected that an American ship-owner would be satisfied with lower profit than that generally pervalent in the country; being a young nation, this is far higher than in Europe; and here for the present rests England's chief security. These relations, however, must

change, and eventually we may calculate on having America for a most formidable rival in the Western seas.

In the mean time, in Europe, no such redeeming protection, like that just stated, awaits us; and in addition to the extracts from the Parliamentary papers above quoted, respecting the trade of the several European states, I now proceed to give some information, obtained direct from residents in the respective countries.

In regard to Norway, I submitted to an intelligent merchant established there, the two following queries. First—In what proportion has been the increase of seamen within the last few years? Second—Was that increase occasioned by the return of Norwegians who had been in our employ during the war; or is it attributable to the opening of new sources of trade? To these inquiries it was replied, that it was difficult, if not impossible, to state the exact number; but that the increase since 1822 was generally presumed to be more than one-third of the whole, and that the altered policy of England made a much further increase a matter of certainty. As the increase, for a few years subsequent to 1815, was insignificant, the inference was, that the late increase could not be attributed to the return of natives of Norway from the British service.

Prussia.—The following is the number and

lastage of Prussian ships which loaded in the principal ports in the years enumerated:

	AT STETTIN.		DANZIG.		PILLAU.		MEMEL.	
	Ships.	Lasts.	Ships.	Lasts.	Ships.	Lasts.	Ships.	Lasts.
1815,	390	31,039	144	27,754	183	15,751	295	22,363
1816,	357	28,079	152	28,792	201	17,859	136	18,780
1823,	383	31,002	368	54,488	127	12,354	185	22,669
1824,	420	32,238	395	67,353	126	14,867	327	39,118

The *lasts* noted in this statement are the rye-lasts. Some slight variation in size has taken place in the different years, from alterations in the mode of measurement, but they may be taken at 1½ tons British, which is as near the proportion as can be.

In the year 1825 the increase of Prussian ships has been much greater than in the year preceding; but the freights being high, the British ship-owner does not feel the effects of competition, as he would do were they at the ordinary rate. This is abundant proof of the briskness of this branch of trade. Freights must undoubtedly come down to such a level as will afford the ordinary scale of profit in the country; and, if we have already been superseded to a considerable extent, we may expect, when they do come down, to be much more so. My informant adds further, that though the increase of Prussian ships has in some degree arisen from the general extension of trade, yet it is principally to be ascribed to their sailing their ships at much less expense. He states, that to build a Prussian ship, ready for sea, costs about 8*l.* per ton, whilst an English one can-

not be fitted for sea under 24*l.*; and provisioning and wages are not more than one-half the price they cost us.

In Russia it is principally in ship-building that we are likely to suffer injury. Her vast resources of excellent materials will be called into use at home, and not transported to England to encourage the British ship-builder. At the same time her seamen, like those of all northern states, are rapidly increasing; though, perhaps, not in equal proportion to those of Norway, the latter possessing superior activity and skill, and approaching, probably, the nearest to the British.

In France, and the southern states, the ardour for naval enterprise declines greatly in comparison with the hardy inhabitants of higher latitudes. But there is still a regular progression, and the entries at Havre, in particular, show a considerable increase within the last three years.

The Dutch display less eagerness for the carrying-trade than was formerly their characteristic; considerable expenses cripple their navigation; and the general rate of wages being higher in Holland than on the rest of the continent, they are not so likely to injure us by competition. But the Hanse Towns seem differently circumstanced. They aspire to become carriers of the produce of all Germany. Ships, from Bremen and Hamburgh, have already commenced carrying supplies for the British West Indies. When we consider the extent of territory

to which these ports are the outlet, together with the great variety of produce thus brought to a point for shipment to form assorted cargoes, it is not difficult to perceive that British navigation must, to a proportionate extent, be absolutely superseded. Very many of their commodities are precisely the same as our Irish exports, such as salt provisions, butter, hams, linen; all of which will thus, to a certain degree, be supplied in future from Germany. In addition, therefore, to the loss sustained in our navigation, there is a serious injury inflicted on the sister kingdom, in a branch of trade from which she has hitherto derived peculiar benefits.

After this rapid outline of the subject, it may be proper to add a few remarks on the mode in which British capital is daily extending in investments in foreign shipping. Ships being able to be built so much cheaper in the north of Europe, obtain thence a decided advantage in the carrying-trade; and wherever the intercourse permits their competition, they are already, and will be still further, employed. The British merchant, therefore, desirous to avail himself of the profits of this trade, procures foreign vessels to be built for him; an agent, to stand as nominal owner, is appointed; a transfer of the register and bill of sale takes place between the parties; and thus our own ship-builders are superseded, the capital of the country goes abroad for what has been pronounced the most pernicious of all investments, and a race of seamen is reared for

foreign nations, to become perhaps the future instruments of abridging our own power. Under every relaxation of our navigation system, we may expect this result to ensue on a commensurate scale. Within the last year several vessels have been built for British merchants, precisely in the manner detailed, to be introduced into the carrying-trade, in consequence of the alteration in our maritime system. The rate at which these vessels have been fitted out for sea, I am informed, does not exceed 8*l.* per ton; and I merely put the question, is it not evident that those vessels, owned by British merchants, interested in the trade in which they are to be employed, and fully acquainted with all its particulars, must supplant the shipping of Great Britain? A union of many circumstances is required to prosecute the carrying-trade advantageously, such as the certainty of procuring a return cargo, brief detention in port, acquaintance with local peculiarities, all of which obstruct the foreigner, resting solely upon himself to compete successfully with the British subject; but when those obstacles are provided against, by the merchant being virtually the owner of the foreign vessel, and thus enabled to calculate and shape the resources to the desired end, it is impossible to deny that the shipping of this country must be gradually reduced from its imposing magnitude, commanding but lately the major part of the commerce of the world, to the diminutive scale proportioned to her own domestic territory.

The effects of a state of war ought moreover to be carefully considered. A license for those foreign vessels owned by British subjects is then procured, that they may be entitled to the privileges belonging to the neutral power; and practitioners in the Admiralty Court could give some idea how far this practice was carried during the late war. What would now be the result of extensive naval hostilities, when so incalculably greater an opportunity is presented? Those foreign vessels are not only more cheaply navigated, but being unliable to capture, insurance is much lower; and thus in a state of war, the disadvantages against British vessels are increased: to which may be added, the further national injury sustained in cutting off the source whence seamen are obtained.

If it be argued that British capital, under any system, will be more or less vested in foreign shipping, and that it is impossible to legislate for its avoidance, I beg to observe, that that is at least no reason why we should supply encouragement to its increase. If we acknowledge it to be an evil, wisdom surely dictates to us to curb it as far as possible. The testimony of every ship-owner would prove, that they do not like to make investments in foreign ships trading exclusively between foreign ports; but such investments would be made freely if one of the ports, no matter how distant, were under the control of the British government. The modern innovations accomplish this point; and I

feel little hesitation in declaring that if they are followed up in the spirit now prevalent in the nation, men moderately advanced in life may witness a great change in the distribution of naval power throughout the world.

If it has been deemed proper thus to expose the delusion of free commerce, as it regards that branch of British industry, at all times esteemed our bulwark, and associated with every feeling of national pride, still let it not for a moment be thought that there is irremediable cause for apprehension or dismay. Fortunately for our country, she is not yet left naked, or dependent upon her own unaided resources. She is not so helpless and so destitute as to be compelled to court the assistance, and to submit to the caprice, of foreign allies, to support her commerce. The territories she has conquered, the settlements she has herself peopled, still secure for her her pre-eminence in trade, and confirm her claim to the first place among nations. If it has been demonstrated that she cannot hope to maintain competition with independent states, the conclusion is surely irresistible, that it behoves her to foster her own possessions, and to adopt that policy which shall preserve, undiminished, a marine, on which depends her power. Our colonies, it is unhesitatingly asserted, have contributed chiefly to the unrivalled maritime prosperity of this country. Their value will best be appreciated, when it is considered, that they employ upwards of 40,000 seamen; more than

the entire number possessed by some other of the most flourishing maritime states of Europe. These men furnish by far the most valuable of all the resources looked to for the manning of our navy in case of war. It is in large ships, and in long voyages, that men best acquire experience in naval tactics. That due obedience to orders, that almost mechanical silence, that coolness and determination in every variety of danger, which all form the very essence of discipline, can only become habitual by length of practice; and the previous schooling afforded in our large colonial vessels can alone implant the germ of that subordination which in our men-of-war strikes foreigners with such astonishment. Doubtless our coasters and colliers rear a hardy set of men; but there is too little variety in their occupation, and there is also too near an equality between captain and crew, to inspire in them that implicit submission which is indispensable for manœuvring large fleets at sea.

It is in this respect, then, that we see how vitally important it is, that Great Britain should uphold her colonies, and preserve their commerce entirely to herself. National safety is the first of national objects. Adam Smith, the chief of political writers, who, had he enjoyed the advantage of witnessing the many facts and lessons of experience with which late years have teemed, would, perhaps, have modified some of his principles, warmly advocated this salutary precept. In speak-

ing of our celebrated Navigation Act, he acknowledges that some of its regulations may have arisen out of animosity to the Dutch, but he adds, "They are as wise, however, as if they had all been dictated by the most deliberate wisdom." The political relations of the world are since changed; causes might not now be found to bear an exact parity to those which produced the measure; but the plain fact that wages in foreign ships are 17*s.* a month, whilst they are 50*s.* in our own, affords abundant proof that there are grounds which warrant its continuance.

Even supposing a change to bring an increase of wealth (a fact which I deny, and have endeavoured to disprove), I should conceive it far from justifiable. Wealth may be too dearly purchased. It is an object far nobler, and more worthy of a nation's ambition, to lay deep and to strengthen the foundation of her independence, than to devote herself to a sordid thirst of gain. To such a length are the modern principles prevailing, that it is beginning to be openly avowed, that our mercantile marine is of minor consideration, and that we may continue great and powerful in spite of its decline. In whatever altitude of estimation the supporters of this doctrine may be held by themselves, those whom the world considers best capable of judging hold a very opposite opinion. The Admiralty knows well the sentiments of our most experienced naval commanders, our Rodneys, our Duncans, and

our Nelsons. They united in upholding the regulations of our navigation system, as indispensable to the manning of our fleets. Their reasons are easily appreciated. In war, so long as the trade to our distant possessions is confined to British shipping, it must be conducted under convoy of our fleet; and on one of these arriving, there is afforded a prodigious resource for instantaneous employment. Now, promptitude and despatch are indispensable to naval operations, and without them the most important measures are often frustrated.

To pursue the case further, would, probably, subject me to a charge of imbecile apprehension, or a disposition to commonplace declamation. Derision is now the favourite weapon employed against the advocates of British navigation; but derision is rarely the companion of knowledge; and after the statements I have given, enforced as they are by the authority of those heroes whose deeds shed lustre over British story, I am not ashamed of being left to my prejudices.

Section VII.

CIRCUMSTANCES WHICH DETERMINE THE EXTENT OF FOREIGN COMMERCE.

If the system of Free Trade be adopted, one of three things must happen. First, some of the most important branches of British industry will be abandoned. Secondly, the superior habits of the British artisan will be broken in upon, and his condition brought down to that of the foreign workman. Or thirdly, the habits of the foreign workman will be improved, and elevated to the standard of the British. The evils resulting from the two first require no further comment. The last, which is generally considered as advantageous, gives rise to other reflections.

It is a remark frequently heard, that the richer you make foreign nations, the better it is for yourself, as you then extend their dealings with you; a poor country cannot be so good a customer as a rich one; and no circumstance indicates so decisively the riches of a country, as a large demand among its lower orders for foreign commodities: in case, then, a great improvement take place in France, a double object is effected; an increased demand for British commodities, and a rise in the rate of wages, which

diminishes the dread of competition in other markets. Imagining for the sake of argument, that this improvement takes place in France, it is still doubtful if the beneficial consequences extend to this country.

On investigating the relations of our foreign trade, one leading characteristic presents itself; and that is, the almost exclusive interchange of manufactures for the raw produce of other countries. When we examine the table of imports and exports annually made public, it is very essential, in order to form accurate ideas on this subject, to separate that portion which relates to the real consumption and production of the country, from that other subordinate portion which relates merely to the import of articles to be worked up, and exported in a finished state. The latter is entirely dependent upon the first. The taste and appetite of the community require a certain quantity of tea, sugar, wine, brandy, tobacco; and such fancy articles as are required for our own population. For payment of these, Great Britain has not a sufficiency of products derived from within herself; and she accordingly imports the produce of other countries, gives to them augmented value by means of her labour and skill, and thus is enabled to pay for the entire amount of her other and more general imports.

It is not possible to extend this round-about, or auxiliary, description of trade, if it may be so termed, without primarily increasing the first or the

direct trade. But on the other hand, whatever improvement occurs in the condition of the people, must, unavoidably, lead to an increase of manufactures to preserve the balance of payment. Let us now make the application to France. The proposition is, that if the inhabitants of that country generally were improved, we must reap proportionate benefit from her increased demand for our commodities. The declared real value of our exports, for the last few years, averages about 450,000*l.* Let us suppose the commerce increased to eight times its present extent, and this is surely allowing ample latitude. There follows, undoubtedly, some advantage; and they who advocate the idea of enriching other countries, that we may benefit by their prosperity, would consider the point established, and set at rest. But I deem it to be a paramount consideration to attend to the effects created by the improved condition of France on our trade, not with herself directly, but with other countries.

It need not be observed that, prodigious as may be the increase of our dealings with France, they will still hold but a small proportion to our total commerce; by far the major part must continue to consist in the import of those general and extensive commodities of distant climates, the use of which the taste of the British public has fully and widely established among us. It is admitted by all classes of political writers, that, in order to carry on com-

merce, each nation must be able to produce an equivalent. It is the absence, or the deficiency of these equivalents, which presents difficulties or prescribes limits to the intercourse of nations. A conventional relation thus subsisting, an augmentation of the trade of any one state obviously requires the increase of the trade of some other. We daily hear manufacturers complaining that, in all foreign countries, the market is overstocked with British goods, and that no advantageous sale can be obtained. The obvious reason of this is, a deficiency of equivalents on the part of foreign states. There is no want of disposition to consume the goods of Great Britain, but there are not the means to pay for them. In a greater or less degree, the same thing may be said of ourselves in many respects. The producer of sugar or of wine may complain that he finds not more sale for these articles, and say that we are not rich enough to give immediate equivalents in return. From this we clearly enough perceive, that, to augment commerce, the ability and the concurrence, if it may be so termed, of the trading countries must be mutually obtained; that, to attain this end, the increasing the means of importation, or of domestic consumption, is the most efficacious mode; and that this increase, virtually depending on the progress of wealth, is slow, and of difficult establishment.

Now, in assuming the trade with France extended to the specified amount, it should be kept in mind

that, for the purpose of preserving unity in the argument, the circumstance was supposed to proceed solely from the improved condition of her people, not from her abandoning some branches of industry, and, in consequence, taking supplies from England, but continuing her employments as at present, and making larger imports, as the wants of her population called for additional commodities.

It is reasonable to infer, that the increase of trade derived from England would indicate, from a general similarity of products, but a small portion of the total increase, inclusive of all other countries. If increase of wealth occasion an augmentation in such articles as we can supply of three millions, her other imports, to satisfy the tastes and wants of her people, may be presumed to amount at the least to 15 or 20 millions. These imports she must obtain from the same quarter whence we obtain ours, and how are they to be paid for? Precisely in the same manner as we pay for ours—by the export of manufactures; by the same process of a round-about trade, importing raw produce, giving it increased value by means of skill and labour, and then exporting it.

The question to be considered is, therefore, simply this—if our manufacturers at present find great difficulty in selling their goods abroad, from deficiency of equivalents to give in return, what will be the effect when those equivalents, such as they are, have to be divided with a competitor?

The relations and proportions between import and export should always be viewed connectively. We are so much accustomed to regard merely the operations of our own country, that, in almost every instance, we mistake the true impediments or restraints on commerce. We export 100,000*l.* of cottons to Egypt—why not a million? Is it not our own fault as much, in being unable to consume rice-puddings enough to pay for them, as it is that of the Egyptians in not being able to wear cottons? It may be said, that the springs of industry are different in those countries. This, then, is undoubtedly an additional consideration; it adds to the intricacy of the question, and shows how small a part of the relations of commerce is determined, if we merely view our own ability to export. No man can acquire a correct insight into the principles of foreign trade, unless he first supposes himself an active British producer, and then betakes himself in imagination to the several countries with which he is to trade, and adopts the sentiments of the producers in each.

The cause of the cheapness in France has already been pointed out, together with some of the more obvious circumstances which prevented her availing herself of that advantage. It was moreover stated, that to do so effectually there were many difficulties to overcome. The nature of these, I think, must now be fully understood; they arise, not from her inability to export, but from her inability to con-

sume commodities received in return. Let the wants of her people require a great increase of any foreign article—tea, for instance: I unhesitatingly affirm, that the British silk and woollen merchant would feel the effects of that in Columbia. To procure this tea, an equivalent must be given, which, for perspicuity's sake, we will suppose to be money. To obtain that money, something must be given in exchange; and from her capabilities of producing woollens and silk cheap, as contrasted with other countries, it is reasonable to conclude silks and woollens given. I acknowledge, however, that payment might be made in wines: in this case, it is obvious that England is not affected. But the argument before us has reference to the competition of two countries producing the same commodity; and the object is to shew the manner in which one will be injured, when enlarged means of sale or intercourse are obtained by the other. If the active industry or riches of one country necessarily increased those of another, no injury could be inflicted on a third or intervening country, because then equivalents on both sides would increase in equal ratio. But the history of the world presents no such example; the exposition given on the causes of industry proves the contrary; and it is surely evident that, supposing the exportable products of France to be the same as those of England, and consequently disposed of in the same manner, any increase of prosperity in the former will indirectly

cause detriment to the latter. There may be some benefit obtained from the direct intercourse between them, and I estimated it, for the sake of presenting a tangible object in the discussion, at three millions; but there is, to counteract this, the circumstance of France, from her increase of riches, enabled to trade with distant countries, to the amount of 15 or 20 millions, in the very same commodities as those in which England now trades; whilst any increase in the prosperity of those distant countries cannot be assumed to give room, as it were, to the dealings of both competitors: for extension of industry is derivable, not from extraneous sources, but from internal operations working on the minds of a people.

This exposition has been given, to combat the extremely imperfect and superficial notion maintained by numerous writers, and which has been already quoted, that to remove restrictions, and thereby enrich our neighbours, we enrich ourselves, from the extension of trade with them. If they exported to a third party, presumed to include all other markets, and therefore supposed beyond comparison the principal outlet of commodities different from ours, the benefit would be apparent; but so long as they are precisely similar, the disadvantages must, I apprehend, greatly preponderate.

The trade of England may be briefly characterized. It is, in its general elements, the export of clothing and the import of luxuries. Of what

else can the trade of France consist, supposing it greatly extended? Her exports must, in some degree, approximate to those of England. Let any man then survey the map of the world, and see if, from the general condition of mankind, there be likelihood of this trade extending indefinitely. In what remote country can we hope to sell much more of our manufactures than we do at present, unless there be an amazing increase in the industry of its inhabitants? If age has succeeded age without this increase, what is to warrant its arrival upon the aggrandizement of France? M. Say, in his reply to Malthus, in investigating the causes of glut, has acknowledged, that an overstock of British manufactures in the Brazils may proceed from the indolence of the people of the latter in not producing equivalents. This is the point sought to be here established. If France sends thither a large quantity of goods, of the same description as those of Great Britain, may not the same indolence continue, and will not a glut be occasioned in the exact manner adverted to by M. Say. But there will be this difference: that the British manufacturer will not, for a short period, be contending with his countrymen, to end it in mutual adjustment, but permanently with a foreigner, who will, in all probability, supplant him in the market. Many who overlook the important consideration respecting the necessity of having demand for the returned cargo to prosecute trade extensively, would

conceive that, if this result could ever happen, why should not the enterprise of the French manufacturer lead to it at present? One observation will suffice to explain the reason, and to clear up any obscurity or seeming contradiction as to what was formerly stated. Exports to foreign states may be made in a two-fold manner: the foreigner may come to the manufacturer and purchase, or the manufacturer, impelled by the spirit of enterprise to push his business, may go to the foreigner to sell. The intercourse of rich countries with France would be conducted in the former mode, under a perfect freedom of trade. The enterprise of the English retailer would lead him to France to lay in his supplies. As regards other states likely to be good customers, the manner in which credit enters into their dealings, has been explained in a preceding section. It was in the case of France, as contrasted with England, shown to be a leading obstacle, which prevented the former from being so formidable a rival as she might otherwise prove. But in addition to this circumstance with its various relations, as described, it is now the object to point out, that a great portion of the export trade of England is conducted by the enterprise of manufacturers, who send out adventures, and who are chiefly induced to do so, from the frequency of communication, caused by the large consumption of products received in return. Let the same opportunity present itself to France, and we may anticipate a similar result.

Cheapness of commodities will not, unassisted, do every thing; it is the basis, unquestionably, of extensive commerce, and only requires wise measures on the part of a government, to lead to a beneficial development; but many other attributes belong to it, and it behoves a rival nation to pause before she steps forward to surrender those means which may hereafter so seriously invade her own prosperity.

It may be argued, that while this progression is taking place in France, labour will rise, and thus her relative advantage will no longer continue. To facilitate the argument, the effects of the increased prosperity of France in the traffic with distant markets, were treated of singly, to show more clearly the great omission on the part of writers who merely view the effects of her increased intercourse with England. It is, however, apparent that there are intermediate steps, and that she may take from us some of our customers long before the wages of her operatives assimilate to our own. It is that we are injured only in a less degree, by dividing our trade, instead of its being superseded.

In all probability the whole of the three operations stated in the commencement of this section would ensue upon a perfect freedom of trade becoming established. In the first place, some of our leading manufactures, such as silk, would be abandoned: the distress incurred would, in its effects, involve other classes of operatives; they would be constrained to work for lower wages; the habits of the

mass of our people would be reduced; and thus accelerate the distress. On the other hand a great market opened to France would lead to activity of trade, much excitement would be created, and the general condition of her people of necessity improve. On principles of philanthropy undoubtedly this seems desirable for France, but those principles do not require us to acquiesce at the expense of England.

If my views be correct, there is not merely a relative diminution of our power; it is not that we stand still, or move but slowly onward, whilst another advances rapidly; I have maintained that we absolutely retrograde.

It ought, perhaps, to be observed, that in this discussion I have supposed, what would most probably be the case, our adoption of the principles of Free Trade, unconnected with the policy of foreign states. The object is, to elucidate the relations of our foreign commerce; to show the basis on which it stands; and the injury it may sustain from another country entering into competition, and producing the same commodities with ourselves. I think that, from all that has been stated, the deduction will be generally allowed, that domestic consumption gives the primary impulse, and is the chief stimulus to trade. Though I have drawn a rather gloomy picture of the probable permanency of England's foreign commerce, and of the serious contingencies to which it is liable in the progres-

sion of countries in which labour is cheaper, to an active state of manufacturing industry, yet it by no means really overbalances the internal benefits derived by a country from a high natural rate of labour. We cannot have unmixed good. Let us then console ourselves in the reflection, that the leading cause which renders us fearful of being superseded by rivals abroad, is the very same which gives rise to the chief play of industry at home, and which is a thousand times more beneficial to the nation. The possession of the supply of distant markets with manufactures may be strenuously contended for, rather than surrendered by our own policy to another; but their preservation is but a poor recompense for lowering the condition of our workmen. An eminent writer has exclaimed, "Accursed be the hour, when for some shilling a yard on woollens, or a penny upon calicoes, the legislature will seek to invade the poor man's comforts!" I applaud the sentiment, not less on grounds of humanity, than of political wisdom. No delusion can be greater, than to attribute all activity or stagnation in trade to foreign sources. Whenever any species of distress visits our country, the first step is generally to consult the table of exports as a test whereby to ascertain at once the nature of the calamity. To direct attention to the domestic traffic would be the wiser course, for there in reality originated every vicissitude we have witnessed since the peace.

During the period of our public difficulties, the hatter did not make his accustomed purchases from the shoemaker, nor the shoemaker from the tailor. Things stagnated; and then by a combined reaction heightened the distress. When a revival took place, it was in geometrical progression; the impulse given to the business of one trade increased that of another; and a similar stimulant has continued to operate. What gave the primary impulse it might, perhaps, be difficult to determine; but the return of our agricultural prosperity was certainly not the least of its causes.

To exhibit more fully the misconception of those who conceive foreign trade to be the main spring of national prosperity, let us turn to the boasted increase in our exports, and imagine it distributed over the great mass of our operative classes. What would it purchase, making due allowance for the increase in population? It would do little more than buy each a new gown for his wife and daughters. No person who does not stretch his mind to compass the entire numbers of the several classes of society, can ever form accurate ideas on this subject, but, on the contrary, will be liable to the greatest mistakes. He must not contemplate an individual merchant—his workmen and his manufactures—but the great whole of these denominations respectively. Then it is he discovers that, mighty and unparalleled as is the foreign trade, it is still almost insignificant as compared with the do-

mestic; and that the consumption caused by the superior habits alone of English artisans over rival nations, would go a great way to equal the whole exports of the country.

It is frequently asserted by public writers, that the great improvement of the last few years has been owing to the adoption of a more liberal commercial policy. To ascertain this point, a very simple mode presents itself. Demand of manufacturers, in the habit of supplying orders both for foreign and home consumption, in what degree they have respectively increased. I have taken every pains in this inquiry, and have been assured that the home demand exceeds the foreign in a fourfold proportion. Which, then, is the most probable, that one-fifth should occasion an increase of four-fifths, or that the four-fifths should produce an increase of one-fifth? Were further illustration necessary, one fact might be stated which is resolvable into an arithmetical question, and which will, perhaps, tend still more to give a true insight into the relations of commerce. If an addition of 1*s.* a week were given to all the labourers of Great Britain and Ireland, to be expended in the manner advocated in this work, it would give more business to the manufacturer than has arisen from the increase of exports on the last fifteen years.

Let it not, however, be inferred from these statements, that there is the least intention of undervaluing foreign trade: its advantages are to be

highly estimated, and, if all could be preserved, undoubtedly so much the better. When, indeed, we come to examine that substantial part which depends on administering to the taste and appetite of our population, and which gives rise to all auxiliary branches, it is impossible to avoid being struck with the immense proportion within our own control, under a judicious restrictive system. In the foregoing analysis, the liberalists were taken on their own grounds; the productions of all foreign climates supposed alike open to every nation; and the operations traced, through which a rival could divide and injure our traffic. But when our imports are investigated, when the amount of sugar, coffee, and all the various productions of our own settlements are considered subservient to the interests of the mother country, we still feel secure in our power, and assured that we possess those principal elements of commerce which no competition can destroy or injure. Throw open, however, or abandon, those vast resources, and, from the principles developed, it is most evident, that the whole of our foreign trade becomes from that moment precarious, if not greatly reduced. Preserve them, and it is equally apparent, that besides their secure possession will be the further creation of auxiliary branches.

Having dwelt so strongly on the advantages of taste and appetite, as giving the chief excitement to commerce, it may be contended that when those are once established, they will soon, if things be left to

themselves, find the means of being satisfied. I willingly admit the force of this argument; but we must avoid extremes. Nations, no more than individuals, are equal to impossibilities; and though much more energy, or intensity of application to work, may be exerted by the English workman, it will be found an arduous and an up-hill task. Eventually we must give way; and whether from emigration, transfer of capital, or other causes, it is still clear that there is a diminution of the national power.

The whole of the expected consequences from Freedom of Trade have now been examined.

In the first place, it was shewn that free trade in corn visited overwhelming injury on a great portion of the community, and that great delusion prevailed as to the benefit it would afford to the manufacturer.

In the next place, it was shewn that to remove protecting duties on manufactures would eventually lead to an inundation of Great Britain with foreign goods. Practical men would deem the establishment of this fact perfectly sufficient, but as theorists contend that, in paying for these goods, a counter-benefit ensues, the question has been pursued a step farther.

In this Section, therefore, the more remote relations of commerce have been investigated. It has been shewn that the enriching of France, by free access to the British market, would occasion, in that country, a great excitement and activity: that the

immediate effects of that excitement would lead to general facility and increase of communication and intercourse with distant markets, and would enable her to avail herself of her capabilities for supplying those markets with manufactures: That assuming, on the free trade principle, all ports abroad alike open to every nation, a competitor, during the interval in which she is progressing from cheapness of labour to great prosperity, may do us great injury: and That, in fine, our entire commerce would thus be rendered fluctuating and precarious—It is not necessary to strain the point, and instead of precarious, say superseded—the former is fully important enough.

The parallel has been pursued with France, for the sake of clearness; but it will be very easy, with a little modification, to apply the reasoning to every other country.

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Section VIII.

EFFECTS OF PRECIPITATE INNOVATIONS IN DERANGING FOREIGN EXCHANGES.

There remains one other point of investigation, to leave which unnoticed would render the present undertaking incomplete. Money is so important an ingredient in commerce, that there can be little surprise at finding it occupying a prominent place in every investigation of the subject we are now engaged upon. From a variety of concurring incidents, there have appeared numerous treatises and statements in detail, which have contributed to render this branch of the inquiry much more generally and fully understood than any other. On this account it will not be requisite to enter into any elaborate examination of its elementary principles. Some few preliminary points only require to be explained, as well to remove particular difficulties in the investigation of the topic immediately in hand, as to facilitate a thorough comprehension of the subject in its general views, under every modification.

It not unfrequently happens, that persons are so strongly biassed in favour of certain terms and definitions which they have had inculcated in their

early studies, that they scarcely ever think of subsequent examination; and, imagining that no doubt could exist on the subject, they are loose in collating propositions in an advanced stage of the argument, proceeding with certain leading axioms on which the whole train of reasoning depends. In this temper of mind, whenever they meet with an argument which, in some of its elements, does not immediately harmonize with their own previous notions, or which perhaps they cannot fully comprehend, they are apt to impute obscurity or confusion to the writer, while perhaps the difficulty originated in their pertinacious adherence to certain definitory maxims of their own; even though such had, in an early stage of his task, been expressly rejected by the author whose labours they are perusing. The important term, Value, will immediately present itself as an exemplification of this fact. More ambiguity has arisen here, than in all other parts of the science united. In adducing the proof, we may go a step farther than in the preceding remarks, for not only has the term been differently employed by different writers, but in a single treatise we are sometimes obliged to vary the interpretation, correctly to understand the writer's meaning. The precious metals, though, from their various characteristics, admirably adapted for the purposes of interchange, and to measure the value of contemporaneous commodities, are yet, owing to the varying productiveness of the mines, ill adapted to measure

the value of commodities, from century to century, or at very distant periods. Writers have, in consequence, as is well known, sought eagerly some fixed and invariable standard, which should accurately measure the value of commodities, at all periods and in every place. By enumerating the expedients employed for this purpose, pointing out certain incongruities, and subjoining a few explanations, much of this seemingly intricate subject may be rendered more easy of comprehension.

Dr. Adam Smith's standard, labour, or the remuneration given to a working man, in the ordinary state of things, has already been condemned as ineligible; and it ought, in addition, to be mentioned, as illustrative of the statement just given, that even this standard is not rigidly adhered to throughout his treatise; sometimes corn is expressly specified, and sometimes what is termed a command over the necessaries of life.

Mr. Malthus framed his standard upon a mean between labour and corn. Now as the former is of itself improper, and at the same time has been shown to exercise considerable influence on the latter, which is the converse of the popular impression, this standard of Mr. Malthus is still more objectionable, chiefly because, being equally inaccurate, it is more complicated.

Mr. Ricardo laid down, as his standard, the quantity of labour worked up in a commodity. Though this appears to resemble the standard of

Adam Smith; there is a great distinction between the two. The value of a hat, estimated in the quantity of labour it will exchange for, is very different from the value of a hat, estimated in the quantity of labour required to produce it. These two definitions not only differ, but they are frequently opposed to each other, and, accordingly as they are adopted, may cause views essentially dissimilar. At first sight it seems that labour, being the universal agent in producing wealth, to take the quantity employed in producing any given article should exhibit its true value. But a little reflection, I think, will show, that this standard is the most erroneous of the three. In the first place it excludes the operation of capital, which we all know must exercise, in any commercial state, great influence on production. This difficulty is got over by assuming, as formerly stated, that all capital is merely accumulated or hoarded labour, and resolvable into the same elements as the latter. All the adherents of this system, however, by no means agree in this particular. It was quaintly demanded how, when a person purchased a pipe of wine, stored it two years in his cellar, and then sold it at a profit, its augmented value could in this case be properly explained on the principle of accumulated labour, since the cellar had remained locked, and the wine untouched by any individual? A long metaphysical disquisition ensued, in reply, to show the affinity between the operations of time and the operations of labour; but I con-

jecture that the erudite and interesting attempt failed of producing unanimity among the several disciples.

Secondly, the Ricardo standard excludes the principle of supply and demand. In determining value, the concurrence of two parties is required; the one who furnishes and the one who obtains. Arbitrarily to omit this modification cannot fail to create much inconvenience.

Thirdly, and chiefly: all the objections before urged respecting the uniformity of labour apply here also. The practical applications of the principles of value are chiefly required when we reason upon the relations of commerce with foreign states; and when we are sensible how much labour differs in its reward in those states, we cannot hesitate to reject this as a most improper standard.

Since, then, I have ventured thus to differ from authorities so eminent, it may be asked what standard should be employed. I answer, none. No one article could be selected, nor any one of the component parts of cost, which does not vary both between different countries and at different periods in the same country. I go further, and maintain, that, not only is a standard not to be found, but the idea is inconsistent, and indicates confusion in the mind. I perfectly coincide with the acute and logical author of the "Critical Dissertation on the nature, measure, and causes of Value," that to suppose such a thing as absolute value, is as preposterous, as it is to suppose such a thing as absolute

distance. The very term, in either case, implies that it is relative. We say that one body is distant in such a degree from another body. So do we equally assert, that one commodity is more valuable in a certain degree than another commodity. It is, therefore, perfectly futile to seek after an absolute standard. Whenever we meet with the term value, it implies a comparison with something else; and the object is to find out what that is with which comparison is so made. The writers quoted would advance their several standards. I, on the other hand, maintain, that there being no such thing, we should take the aggregate, or sum of all commodities generally. The desideratum is to ascertain the relation borne by any given article in traffic. For this end I do not select capriciously any one article, corn, for instance, but take them all in conjunction. Some may have advanced, some declined. Since, therefore, the affixing of value on any one of these is a conventional agreement in traffic; and since in interchange the one can only be given for the other; it is certainly clear, that an alteration affirmed to have taken place in one particularly, implies that it has undergone an alteration to the rest generally.

An intelligent writer in the 29th Number of the *Quarterly Review*, Art. viii., conceives, that this would be a most clumsy mode of procedure, and one by no means well calculated to determine degrees of variation in value. I cannot perceive the reason. It would, in my estimation, tend very

materially to simplicity, and get rid of those confused and perplexing terms, real value, nominal value, and absolute value, occurring so often, when they are, in reality, by no means required. It is obvious that we must always employ a measure of some kind in making exchanges of one article for another; and it is needless to add, that for this purpose, the precious metals have been universally selected. To show, therefore, the mode of ascertaining variation in value, according to my views, let us assume a case: an individual purchased boots ten years ago, and he purchased a pair yesterday—is there any alteration in their value? The ordinary observer merely views the number of shillings paid, and pronounces accordingly. The political economist goes a step further; he scans over the prices of all other commodities, compares their prices at the two periods, and carefully distinguishes what is special from what is general, before he ventures to decide. On the same principle is the inquiry made, as to whether a change have taken place in the precious metals. An ounce coined into a certain quantity of pieces now exchanges for a proportion of some other article different from what it did at a former period. Has the ounce of metal, or the purchased article, changed in value? We compare, then, this article with the aggregate of all other commodities; and if there be a change contrasted with its former relations, we may decisively pronounce the alteration

to be in it; if there be not a change, we may pronounce the alteration to be in the precious metal. An uniform adherence to this procedure would remove much of the ambiguity pervading financial discussions. What endless contrariety of opinion do we witness, as to the true causes of variation in the price of corn. Say it was 85*s.* a quarter eight years ago; it is now 60*s.* Scarcely two persons would agree as to the extent of the decline in its real value. Resorting to the mode generally pursued to ascertain this point, will show how wide a latitude is presented for debate; a latitude, indeed, which embraces such a variety of adventitious circumstances, as to render unity of opinion almost impossible. The first thing is to inquire into the depreciation in the currency in the former period, as compared to bullion, owing to extensive issues of paper-money. Venturing the very doubtful supposition that all concurred so far, the task would still be far from complete. It might be alleged, that the superseding the use of gold by the employment of paper-money, led to an over-proportioned quantity of gold in the general distribution throughout Europe, in regard to the ordinary demand for it; and, as a necessary consequence, like every other commodity similarly affected, it would undergo a diminution in value; on the other hand, when, in its turn, the issue of paper-money was checked when cash payments were resumed, gold would become more in demand, and its value

would therefore rise. Here, then, to discover the extent of this variation, would the several infallible standards be brought into play. Those who made choice of corn itself would have to consider what was the average of price before they could decide. Those who took labour would be in the same predicament; besides that, scarcely two of this school coincide as to the exact degree in which corn operates in determining the rate of labour. Some employ the term "mainly," some "chiefly," and others "almost wholly," under which diversity of ideas, there may lurk a difference of 2*s.* or 3*s.* a week; enough, certainly, in a fundamental point, to cause the grossest error in subsequent deductions.

The least reflection then, I think, must show, that any analysis, no matter how ingeniously conducted, proceeding on the basis here examined, can be viewed as little better than vague assumption. But according to my plan of proceeding, to ascertain the difference in value in corn in the two specified years, we have merely to take a certain quantity, say 100 quarters, and inquire what quantity of other commodities—of furniture, clothing, and so forth, would these 100 quarters exchange for in 1818, and what in 1826? Strike the difference, and you have the difference in value. Is not this the real difficulty sought to be overcome? Wealth consists of a variety of objects possessing exchangeable value; and when we say there is some change in one of these objects, and

wish to ascertain its extent, we can mean nothing more than a change in comparison with those objects which constitute wealth in the aggregate. For this purpose, what necessity is there for any standard? The immense range of products to be taken into account, may seem to present difficulty; but if the mind be made to compass the whole question, its bounds are gradually reduced to those leading products which, if I may be allowed the expression, are of a generic nature, and the consideration of which will enable us to arrive at a result sufficient for practical purposes, or to decide how far the interests of any particular class of the community have been affected by recurring changes, when their concerns are before the legislature.

As a further confirmation of the necessity for excluding the notion of *absolute* value, it may be remarked, that if all commodities in England underwent a change with respect to the precious metals, it would not follow that there was alteration in the value of the latter. The alteration might apply exclusively to the commodities of England, and not to those of the rest of the world. Suppose our labourers to receive a shilling a week additional wages, to be spent on some new article of purchase. The cost of all our commodities would thus increase: gold, therefore, would vary in its relations with England only, but in foreign countries it would remain unaltered. This circumstance should always be kept in mind, because every tendency to

dearness in England is apt to be attributed, by many individuals, to a fall in the value of the precious metals, while in reality no such conclusion is warranted.

I hope that this brief digression will tend to simplify many intricate points attached to the consideration of foreign exchange, and of money. It has been my aim to divest the reader's mind of many notions which, having been largely dilated upon by our most celebrated economists, and twisted or spun out to an endless number of modifications, tend to perplex and confuse him at every step, and distract his ideas from a due comprehension of the real subject.

One of the commonest results is, in consequence, to consider the precious metals as incessantly undergoing a much greater variation in value than is really the case. The merest tyro is aware, that according to their scarcity or abundance, they are affected like any other commodity; and that a fall in their value would produce a general rise in the price of every thing else. But there is much to be apprehended in pushing this consideration to an extreme, which indeed many writers, to show, perhaps, their acuteness, are too frequently disposed to do. There has, in point of fact, for nearly two centuries past, been very little alteration in the value of gold. When we refer to those places on the continent where cost of production has not been influenced in the same manner as England, there is

scarcely any perceptible change. In Italy, many articles which I should, in the nature of their production, regard as generic, exchange for gold in about the same proportion as they did 130 years ago. The same is the case in many other parts. If, therefore, the often-affirmed variation in the value of bullion were founded in truth, it should hold universally. It should not apply to one country alone, but to all parts of the world where the precious metals are used as money.

As a further corroboration of the fact here stated, we may refer to the corresponding proportions existing between the value of gold and of silver a century and a half ago, and at the present period. Some states have chosen gold as the standard of their coinage, and some silver. Now, as the continual and abundant supply from the mines is the cause assigned for the fall in value of the precious metals, the supply of both gold and silver respectively must be nearly equal, or some change must have taken place in their proportionate value one to the other, in case the alleged abundance diminished the value of either; what then is the fact? In every received statement of the supplies from South America, silver very greatly preponderates. Yet in 1718, according to the information of Sir Isaac Newton, the value of fine gold to fine silver was rated in our Mint as $15\frac{2}{11}\frac{1}{3}\frac{5}{6}\frac{5}{4}$ to 1: from the government having taken the entire control of the silver coinage into its own hands, and a seignorage being exacted, the Mint rating is now $14\frac{2}{1}\frac{8}{0}\frac{7}{0}\frac{7}{0}$ to 1;

but the bullion price is but little under the former proportion; and as the late Lord Liverpool was of opinion that, at the coinage in 1718, there existed an over-valuation of four-pence in the guinea, or a little more than 1½ per cent., the aggregate difference is very immaterial. In France, where a seignorage is exacted of nearly ⅓ per cent. on gold, and 1½ per cent. on silver, the Mint proportion is 15½ to 1! Viewing then the combined result in the two countries, presumptive proof is afforded that the relative cost of producing each metal has continued nearly the same; and in consequence, if we reject transitory variations and view permanent effects, notwithstanding the very abundant supply of silver to Europe, its value has at the utmost declined almost imperceptibly.

It is undoubtedly a difficult thing to decide whether gold or silver be the most appropriate for a standard in England. The former, from its greater difficulty of obtainment, seems to ensure most steadiness, and would be the most eligible for the world at large; but the latter having been chosen by the majority of states, and there being perhaps difficulty in procuring supplies of gold in time of emergency, is a strong argument in its favour; yet not, I think, sufficiently so, under existing relations, to justify a decided preference. In my opinion, however, though at variance with some eminent authorities, from what has been stated, and viewing the case unconnected with extrinsic relations, and rejecting temporary abuses, this is more a refinement than a

point of practical importance; nor need we in the least encumber our thoughts, by imagining that the material of our coin is fluctuating in its own value, and consequently that this assumed instability is to be considered and provided against in every regulation of our currency. Even supposing any of those visionary mining-schemes to succeed, through which an unwonted supply of bullion would be poured into the channels of commerce, still the operation extends over the world, and though at a great lapse of time many contracts might be effected, yet as to transactions in foreign commerce, no derangement would ensue; it must be the occurrence of circumstances locally in England, and which extend not to other countries, that occasions this latter derangement. Still, indeed, confining ourselves to foreign trade, political writers have been in the habit of slighting the effects of a varying exchange, as immaterial in permanently affecting the imports and exports. According to their favourite maxim, things will correct themselves, and require not special regulation. In shaping its measures, the legislature need not meddle with the balance of trade: if unfavourable to a particular country one year, the next it will remedy itself, and become more favourable. If we import more wine from Portugal than we send woollen goods to pay for it, the exchange with Portugal will become unfavourable—that is, a bill on London drawn in Lisbon will be at a discount, and a bill on Lisbon drawn in London will

be at a premium. But when this event comes, there will be less inducement for the Portuguese wine-merchant to export his wines, when the bill he draws in payment of it is disposed of at a loss, whilst, on the other hand, there will be more inducement to the English merchant to export his woollens, because on his bill he can obtain a premium. This mutual operation quickly sets all to rights, and the commercial transactions of the two countries quietly harmonize, as justly as some well-constructed piece of mechanism.

That a reaction is produced I thoroughly believe, but I must deny that it takes place either quietly or harmoniously. I conceive a derangement of foreign exchanges, leading to a great drain of specie, to be an evil, even supposing all our currency to consist of coin; it is a great evil when a large portion of our currency consists of paper; and it is an overwhelming evil when, in conjunction with this latter circumstance, the cause proceeds, from the supercession of our own, to make way for foreign products. It will presently appear that, in this case, it is a mistake to imagine, that there is greater ability to export other commodities, as assumed in the above case of the woollens; the adjustment of payment is accomplished by a much less advantageous procedure.

Though the state of exchange is the general index determining the favourable or unfavourable balance of money-dealings with other countries, yet it does

not necessarily imply that payment is to be made with the precious metals; and it is the general admission of this fact which has induced writers to maintain, that a great drain of specie out of the country more frequently indicates a derangement or depreciation of the currency. Under ordinary circumstances, when foreign commodities appear cheap, owing to favourable seasons abroad, or other contingencies, merchants will be more liberal in their orders, and the imports of the year will appear large in proportion to the exports. The exact reverse may ensue, both as to unfavourable contingencies abroad, or a spirit of enterprise at home; and, in either case, payments having eventually to be made from one country to the other, whether it will take place in bullion or other commodities, will depend simply upon the degree of profit which can relatively be derived from each proceeding. Pending this interval of adjustment, the current rate of exchange will vary from the true *par*, precisely in proportion to the magnitude of the exciting cause. The circumstance creating these operations has generally been denominated the *balance of trade*.

Even, however, supposing the imports and exports exactly to correspond, a variation in exchange may be occasioned by derangements in the currency of one of the countries. Suppose that country to employ as her circulating medium partly coin and partly paper, and the amount of her issues precisely proportioned to the extent of her commercial

dealings; in this juncture the true par of exchange with the other country would be exactly at a level. Imagine, now, a great issue of paper to take place, the relation between the circulating medium of the two countries would be disturbed, the one would become more valuable than the other, and the country which made the large issues of paper-money would find an unfavourable exchange against her; her specie would then flow abroad; or if the paper were not immediately convertible into coin, or delay ensued in that convertibility, from its circulation in distant parts of the country, the coin might be transformed by fusion into bullion. The circumstance creating these operations has been denominated *depreciation of the currency*.

Again, even supposing the imports and exports precisely equal, and the currencies of the two countries to be both adjusted on a proper and equable footing, a variation in the exchanges may still ensue. The one may be a rich, the other a poor country; a very long credit may be given on the exports, a very short one conversely on the imports; and if we assume a certain period when this combined action may occur, a variation in the exchange may prevail to a considerable extent. This operation I shall, for the sake of distinction, term *balance of payment*.

By offering a few concise observations on each of these several heads, means may be afforded to solve a great part of the phenomena frequently

witnessed in foreign trade, and also to judge of the effects of many alterations made in commercial policy.

BALANCE OF TRADE.

AGREEABLY to the doctrine of the old mercantile system, excess of exports over imports was the infallible indication of national prosperity. Even before this false notion was entirely exploded, doubts prevailed, if not of the possibility of ascertaining this excess, at least of the mode of doing it correctly, no allowance being made for the incomes of individuals spent abroad, or for remittances in payment of troops, armaments, and subsidies in time of war. Indeed, at the present hour, much more faith is reposed in our tables of imports and exports than they by any means deserve. It is apparent that there is mingled up in the returns a large portion of trade, which should, in strictness, be omitted, as affecting the balance, since no value is given in return. The large amounts of colonial produce coming home to proprietors residing in the mother-country, together with many individuals who derive their revenue from abroad, must greatly swell one side of the account, and exhibit a vast disproportion, while trade itself was virtually equal. Undoubtedly there is, on the other hand, the number of British residents abroad, drawing their income from hence, and also the expense of our distant garrisons, both causing a countervailing result, but still

showing, no matter whether the influx or the efflux predominate, that we have no criterion by which to ascertain the exact balance of our foreign trade. The overrating of the exports, and the underrating of imports, has been adverted to by almost every writer on this subject, as distinguishing all trading nations, with the solitary exception of the United States of America. As a decisive proof, therefore, of the vagueness, not to say gross incorrectness, of the tables exhibiting the foreign commerce of those countries in the aggregate, it is only requisite to point out how they contradict each other. All could not have a favourable balance at the same time; when two countries trade together, and one of them lays claim to a large balance in her favour, it would be expected that a different result should appear in the accounts of the other; but if, instead of this, she also makes the balance to be in her own favour, it is conclusive that no confidence can be given to the statement of either. It will be recollected that this applies to their mutually maintaining that the exports exceed the imports; if the converse held, if the imports on both sides exceeded the exports, there would be nothing anomalous in the case, because the excess constituted the reciprocal profit on the transactions of each. Though the term "favourable trade" is, in common language, used when the exports exceed the imports, yet it is now well known by persons conversant with the subject, that the diametrically opposite term should be employed. The

greater the amount of imports over that of exports, the more advantageous it is, as the higher is then the rate of profit. Suppose a merchant to freight a vessel, with an assorted cargo of British manufactures, worth 10,000*l.*, to a distant market; on her arrival there the goods are sold, and the vessel takes in a return cargo. On reaching home, does the merchant expect to sell this cargo of returned produce for only 10,000*l.*? If so, he obviously obtains no profit; if profits are at 10 per cent., he sells it for 11,000*l.*; if 20, for 12,000*l.* Let the mind, then, take into contemplation the whole trading portion of the kingdom, and it will be found to be situated precisely as this individual merchant. If, therefore, the trade of the country be in a healthy state, the exports being estimated at their value when they leave the country, and the imports being estimated at their value when they arrive in return, the latter should always preponderate, the amount of which preponderance shows the national gain.

Rejecting thus the very imperfect annual returns for our guide, we have to refer to the state of exchange as the index to determine the relative balance of trade. As before stated, contingencies are incessantly occurring, leading either to more extensive or limited dealings in certain commodities than ordinary, and consequently payment will have to be delayed, or must be made in a manner somewhat different from the usual course. Let us imagine England to import from France more goods than usual, and to a degree disproportionate

to her exports, bills on London drawn in France would then be at a premium, and bills on Paris drawn in England would be at a discount compared with the true par. But it is obvious that this variation could not exceed the cost of transporting the precious metals to the place of payment, amounting, as it is generally stated, in a period of peace, to only 1 to 2 per cent. Should the disparity in any given year in the imports from France, contrasted with the ordinary traffic, be great, then it would be natural to infer that a considerable exportation of bullion, or of specie, would take place; but it will be borne in mind, that such is not of necessity required; some time must elapse while the bills are progressing to a high state of exchange; in the meanwhile, merchants in England may be induced, from the state of exchange, to make shipments of other goods; and, in point of fact, whether they do so, or send bullion, will depend upon the probable profit expected by each mode of transaction. An unfavourable course of exchange operates as a tax upon all imports, and consequently as a bounty upon all exports; and in this case it is contended, that equality of trade is again restored by dealings in merchandise, and not in bullion, for which the following reason is assigned: bullion, from the steadiness and uniformity of its value, cannot be presumed otherwise than as merely going to pay the debt; while the desire of gain, on the part of merchants, would lead them to examine the *Price Current*, and select many articles by

which, from the bounty or premium on bills, they would, with prompt shipments, fancy they could realize a handsome profit. Proceeding on the principle of this reasoning, intelligent writers on exchange have disputed the effects of balance of trade in draining the country of specie; and maintain, that when such drain actually takes place, it must proceed from other causes; or at the least, that a drain in England cannot be ascribed to the balance of trade being against her. This leads us naturally to the second head.

DEPRECIATION OF THE CURRENCY.

After the passing of Mr. Peel's bill, one would have imagined that this prolific and almost exhaustless theme of contention had been set at rest. Late occurrences, however, prove the contrary. The abundant issues of country bank paper are assigned as leading to depreciation in our general currency, by superseding the use of coin, and driving it out of the country. It is certainly an incontrovertible position, that when the general currency is increased beyond its ordinary relations by profuse supplies of paper-money, exchanges with foreign countries will become unfavourable. It might be imagined, that so long as bank-notes are convertible into coin, an effectual control, as well as an effectual remedy, is provided against excessive issues of paper; but it is contended, that this position is more theoretically specious than practically correct. Many qualifica-

tions are to be admitted, which render nugatory the effects deduced. If the opinions of the public do not concur, or, what is the same thing, if they do not avail themselves of the convertibility of their paper currency, and forbear to demand a frequent exchange of coin for bank-notes, the practice of extensive issues will gradually obtain, and the bankers be led by degrees to view the risk with diminished apprehension. The plain fact of the large circulation of those banks which have failed, corroborates this inference; and as the great increase of paper-money within the last two years, compared to former ones, is notorious, it is inferred that the recent unfavourable exchanges proceed from this cause alone. Against this conclusion, I am obliged, after the fullest reflection, to dissent, and I shall state briefly the reasons on which my opinion is founded.

When we speak of an over-proportioned circulating medium, we mean obviously an over-proportion in relation to the commercial dealings of the country. Let the imports and exports be 80 millions conjointly, and the domestic transactions assumed to be on a similar scale, amounting to several hundred millions more; and to circulate these, a currency, say of 60 millions, is required; if the imports and exports be increased to 90 millions, and the home traffic augmented in a corresponding ratio, it is quite manifest that a great increase of currency is required; and whether the increase will consist of gold or not, will depend as to whether or not the nature of our foreign trade will give large supplies

of bullion. If bullion, being like any other foreign commodity, flows not freely into the country, or not in a proportion commensurate with the recent extension of trade, it cannot relatively be cheap, and consequently, it will not be selected as the material to increase the currency. But unless the currency did increase, it must be inadequate to the augmented trade, and thus a larger amount of paper is issued.

The average amount of Bank of England notes, and Bank post-bills in circulation, was,

In the year 1823 . . .	£19,137,492
1824 . . .	20,616,015
1825 . . .	19,751,015

The amount of one and two pound country bank notes stamped in the same years was,

In the year 1823 . . .	£2,019,978
1824 . . .	2,544,849
1825 . . .	3,251,499

To afford an opportunity to judge of the deficiency in the circulating medium, I subjoin the following statement:—

Account of the quantity of gold coin exported,

	Oz.	Coined Money.
In the year 1823, .	98,000 .	£379,750
1824, .	764,109 .	2,960,922
1825, .	854,981 .	3,320,176

This is independent of what left the country as private expenditure of individuals, and of the amount paid in smuggling transactions.

Now the question simply is, is the increase of bank

notes out of proportion to the increased trade? I really believe, when the increase of ten millions in our imports and exports is considered, together with such a consequent increase in the domestic trade as might reasonably be inferred from the views before explained, that the increase of paper-money was not beyond the purposes of traffic. This opinion is strengthened by the fact, that exclusive of the increase of trade, paper had to supply the place of gold, a large amount of the latter, as just exhibited, being, no matter from what cause, removed from circulation. This is making the issues of paper the effect and not the cause of a derangement of exchange, and it differs, undoubtedly, from the general opinion. It will be recollected, however, that bank-notes are but partially the instruments of credit; in a period of briskness, or excitement, there is always abundance of debentures, bills of exchange, and promissory notes, by means of which commodities may be purchased. We may, indeed, judge of the extent of credit in British commerce from the statement of Mr. Richardson, on the Bullion question, before the Committee of the House of Commons, that the sum of 4,700,000*l.*, in bills and drafts, was paid in London daily. About the middle of last year this amount has been stated to me to have increased to more than six millions, the single clearance of one or two establishments having been nearly a million a-day; and if we allow a fair proportion for bills, and the ordinary time for these bills to run, the current amount of paper payable in

London could not have fallen short of 200,000,000*l.* at any given time. All the evils of speculation are attributed to the issues of bank-notes. Now I merely put the question, viewing the prodigious operation of credit as just stated, is it not more probable, that the increase of bills presented for discount should have led to an increase of bank-notes; not that the latter, forming, perhaps, not a tenth of the increase of current circulation on credit, should have caused the increase of bills? I do not mean to deny that individual banking-establishments are guilty of great imprudence; but I am contemplating aggregate effects, and in that view it does not appear that a depreciation of currency, taken on its own grounds, produced the unfavourable state of exchange, to drain us of our coin. A rise of prices is the general criterion employed to ascertain and corroborate this result. Mr. Tooke, in his last able publication, has inferred this to be the case; but it is apparent that we should exclude those commodities in which there was a mania for speculation, and take articles of home production, such as corn, or cloth, for our guide; and after my investigation of the principles determining the cost of production, I hope it will be acknowledged that the alleged dearness here does not indicate a depreciation in the currency.

BALANCE OF PAYMENT.

Since I have, under the foregoing heads, rejected the alleged operations leading to the drain of coin

out of the country, it follows that I should now explain the circumstances by which it was really caused.

It was formerly stated, that a wealthy country generally gives the primary movement to commercial transactions; that is, the enterprise of merchants leads them both to export and to import on their own account. Now those who export may not be immediately paid, while those who import will be expected to make their remittances with all punctuality. In this conjuncture a little reflection will show that there will be a great derangement in payment; and I think it can be established that such is virtually the cause of the late unfavourable exchanges. The scene of import and that of export may be at opposite parts of the world; and if we allow for the effects of any very extensive speculation, a long period must elapse before any adjustment will be brought about. Payment, however, for the imports must be made; and as the country may, in some sense, be said to suffer under excess of exports, there will be no disposition to increase them farther, and payment will therefore be made in specie. If payment for imports and exports were made simultaneously, then I would admit the correctness of the doctrine, that an unfavourable exchange would most probably be corrected by increased export of goods instead of bullion; but when the importers reside in England, and are anxious to preserve their credit by punctual remittances, the rate of exchange will soon attain to that length which will cause specie to

leave the country. It may appear to savour of infatuation, for men to persevere in exporting on a ruinously long credit, and that such a practice could not, for any length of time, continue. He, however, who is acquainted with the mercantile world, is aware, that in many men's thoughts there is an irresistible persuasion as to the high profits in distant markets; new adventurers are continually starting forward; commission-merchants are daily visiting this country, holding out alluring prospects of future gain; and there may thus be a large addition to the number of unfortunate adventurers before the evil is checked. All this is heightened in a period of speculation.

The imposing amount of manufactures which have left the country for the last two or three years, exhibits a magnificent picture to the eye, but the unfortunate shipper has too frequently found to his cost, that to lose sight of his goods is to lose sight of his property altogether. Other nations have been gradually availing themselves of their advantages, and almost every month the accounts of sales are becoming worse. No wonder, then, that the warehouses of our manufacturers are becoming choked with goods; they will be constrained to limit their concerns within humbler bounds, and the prodigious amounts of bills arriving by every packet from foreign parts are not very likely to be paid in goods.

Presuming this elucidation sufficient to explain the circumstances which lead to a drain of specie,

I approach the practical inquiry, as to whether any measures of the legislature have been conducive to the result.

This inquiry, involving the entire principles of Free Trade, has led to much contention; and fearful of being thought disposed to shape the argument to my own views, I shall give the heads of the reasons advanced on both sides of the question.

The advocates for Free Trade maintain, that the recent occurrences are entirely the fruits of speculation, which might have existed independently of any relaxation in our commercial policy: that extensive importations apply to all articles generally, and not to those, the duties on which were remitted; and finally, that the existing distress succeeding the dissolution of the speculation-bubble, is merely the recoil of over-trading.

On the other hand, it is affirmed, that the great importations of silk and some other articles proceed entirely from the adoption of the new system: that its spirit led to a new mercantile arrangement which changed the direction of industry: that the statements and the example of persons of exalted rank served to stimulate and extend this feeling; and that in effect those interests which the new measures affected are now the most distressed.

I acknowledge I was at first inclined to think, that sufficient time had not yet elapsed to demonstrate the impolicy of the Free Trade system, but one circumstance has impelled me to an opposite belief. It is quite immaterial what may be thought

by persons in authority, by theorists, or by lookers on; the question must be decided by those personally interested, and *whatever their opinion is, it must be the right one,* for the plainest and most unanswerable of all reasons, that according to their opinions are their actions, and according to their actions, they being the instruments of production, are the national consequences.

Although, when we have accurately traced out the causes of a drain of specie, intelligent persons will immediately perceive the inconveniences it will occasion, even were our currency entirely of coin; yet it may be proper to trace further its mischief, under the existing state of things in England.

It need scarcely be observed, that by far the greater portion of our circulating medium consists in paper money. It is stated, that previously to the recent panic, there was not more than from 16½ to 17 millions of coin in the country, while the amount of Bank of England and provincial notes together was computed at upwards of 40 millions. In this condition of things, it need excite no astonishment to find that a great demand for gold should lead to much inconvenience, and if not speedily counteracted, should embarrass all branches of the banking business with still increasing pressure. Much as uninformed persons may censure what they term the improvidence of bankers in not preserving a supply of coin sufficient to provide for every contingency, it is quite certain that the whole system, as now established in England, must

cease to exist, if coupled with the condition or the compulsion of hoarding up a large supply of gold at all times ready to meet the amount of the paper in circulation. The disproportion between the issues of paper and the supply of gold constitutes the profits of banking; and though this state of things is undoubtedly precarious, it cannot be superseded, without probably giving rise to inconveniences much greater. In ordinary occurrences, so long as the quantity of gold preserves its general proportion in the country, and foreign exchanges adjusted pretty nearly to a proper medium, it is not greatly to be apprehended, that embarrassment, though partial, should become general, and involve all classes in dismay, before a counteraction arrived to mitigate the evil. But when innovations are introduced, rather a different result takes place; transactions of business work slowly to the change; at a very great distance, indeed, they follow the rapid movements of theorists; and this feeling tends to augment, rather than counteract, the previously spreading derangement. When, therefore, by throwing open the British market to foreign competition, a great change is effected in the channels of trade, either one or other of the following circumstances is necessary:—To get foreign states to be as liberal as ourselves, and to remove impediments to the admission of our goods into their territories, in order to preserve a balance of payment; or, in case this be impracticable, while, after graye deliberation, it is decided that we shall ultimately derive advantage from re-

moving protecting duties—then, to provide beforehand for a derangement in the currency, so that credit, national as well as individual, shall sustain no shock. In every approach towards the principles of free trade, even supposing those principles correct, this conduct should be pursued. To neglect it cannot fail to create mischief, the duration and the mitigation of which will depend upon the degree and apparency of the benefit expected to accrue from the change. But if, instead of benefit, we find evil, then will the transition be more portentous, and it would be difficult to foretel the final consequences.

In viewing the recent policy of the British legislature, the application to these observations is presented. Foreign nations did not relax the severity of their restrictions in regard to the introduction of British manufactures; nor, on the other hand, was provision made in our currency to meet the drain of gold reasonably to be expected from an unfavourable state of exchange. The mercantile world is now deploring the consequences. It is, I believe, on all sides admitted, that the first symptom of the recent alarm may be traced to an increasing demand for specie at the Bank. A very considerable time before the actual panic, indeed so far back as towards the close of last session of Parliament, this circumstance was noticed, and was slighted by one or two very distinguished members, as proceeding from causes either unfounded, or but temporary.

Temporary, however, they did not prove. Gold continued in demand until a reduction in our entire circulating medium produced a re-action, and brought exchanges in favour of this country. In the mean time the effects of this derangement extended throughout the kingdom; the provincial banks were unprepared for the transition; the distress of one led to the distress of another; and the whole became unaccountably involved, ingulfing every other class in the ruinous vortex, and exciting the more astonishment, as following closely the declaration of general and unequivocal prosperity.

Though it comes not within my plan to enter into minute details, yet as Political Economy is properly the science of collating particular effects, to deduce general principles, a statement of those circumstances heightening the susceptibility to alarm, and forming the popular causes for the recent panic, may not be misplaced.

The notorious fact, that the first symptoms of alarm appeared in the difficulties of the country banks, naturally leads all classes to look first to them for a solution of the difficulty. Encouraging, instead of checking, the mania for speculation, it is affirmed that the issues of paper-money were carried to an unprecedented and most injurious extent. Availing themselves of the issue of one and two pound notes, a privilege not exercised by the Bank of England, the use of coin was, in many districts, almost superseded. This extension of business

not being warranted by justifiable grounds, but being the bloated fruit of an unnatural growth, was speedily, and on the first reverse, checked; in proportion as it was reared on an unsubstantial basis, was its downfal sudden and disastrous. The holders of notes lost confidence, and, in addition to the numerous failures, the demand for specie became so great, as to put a stop to all discounts or accommodation.

It is undeniable that much of the subsequent distress may be attributed to these failures; but having shown that the issues of the country banks led not, in themselves, to the exportation of specie, we are hardly warranted in bringing in their misfortunes as a primary cause. They may be charged with neglect of their own interests, in locking up their funds, or not providing against, or not foreseeing, the coming storm; but scarcely are they to be censured severely, on public grounds, for making the money of the country commensurate with its dealings. If the issues went beyond this, and were virtually on an extravagant scale, it appears to me that a greater fluctuation in prices of home products should have been exhibited. Of course we are to judge from the period antecedent to the panic, and not subsequent. This fluctuation is not satisfactorily indicated; and though I confess that it is vague to judge of the state of the currency from this criterion, yet the effects have been on such a

scale, that the indices of any imputed cause should be, at least, more visible.

The reasons next assigned are, the Loans and Mining Associations projected last year, and tending, it is said, temporarily to drain the country of its wealth. On this head, I imagine, that there is a proneness to exaggeration. The total amount of loans to foreign states effected in 1825, were less by 10 millions than in 1824; 3 millions less than in 1823; and nearly 16 millions less than in 1822. Is it, then, to be supposed that, if the preceding years were prosperous, notwithstanding this drain of money, the distress of the last year originated in a drain to a far inferior degree? The Greek Loan, indeed, for two millions, and some of the South American, are described as unfortunate. Granting this fact, can any intelligent person, who contemplates the great monied capital of England, and reflects on the disastrous result of some former loans, which still left our stability unshaken, seriously believe that these trivial mishaps should embarrass every manufacturing district throughout the country? If such be, indeed, the case, Great Britain's security is somewhat less safely established than I, for one, am willing to believe.

As regards the Mining Associations, before we decide that they have contributed to drain us of our resources, let us inquire in what shape this money went abroad. It is presumed that much bullion

was not exported to produce bullion. Manufactures, implements necessary to the process of mining. —these form the kind of expenditure; and so far from charging this species of speculation with having contributed to the recent derangement, many merchants (I do not say correctly) rather place it in the opposite scale, and give it the credit of having increased our exports.

Connected in some degree with this imputed cause, are the various Joint Stock Companies at home, most of which, after fluttering for their day, have peaceably expired. It is evident there could be no national loss here. Some individuals might be enriched and some might be beggared; there was a transfer of property; but how the great basis of public credit could thus be essentially injured, it is not easy to discover. In those undertakings which were decidedly bad, although unprincipled speculators originated the scheme, they were not the parties who suffered by the imposition. Shares were distributed as widely as possible; and, though the deception attracted much public attention, and received well-merited reprobation, yet the ultimate losses do not appear to have affected a class of persons who give the tone to the credit of the country.

The fourth assigned cause has, by some, been conceived to possess greater pretensions to probability. The Bank of France, in favouring the new scheme of converting its five per cent. stock into three per cent., had called in its advances upon French stock, giving the holder the option of con-

tinuing upon its books, if disposed to acquiesce in the new arrangement. The low rate of interest in England, it is conceived, rendered a loan to the French stockholders a lucrative undertaking, and for this purpose, an export of bullion would take place. This is a point not easily ascertained, but I am informed that monied men in the city do not attach much importance to its effects.

It seems, then, that no one of these causes, nor indeed all of them in conjunction, could have produced the violent convulsion we have witnessed; and we shall recur at last to the prominent cause already illustrated, extensive importation, generated by a new feeling of commercial enterprise, and unliquidated exportation, leading to a deranged balance of payment.

Are we not then constrained to admit the conclusion, that the altered policy of our legislature contributed essentially to derange the established routine of mercantile transactions; and in judging of the free trade system, or in making up our opinion as to its inseparable concomitants, we should be chargeable with great negligence if we overlooked the evidence of recent occurrences. I wish not to be understood to say, that we have here the exclusive cause of the convulsion. The circumstances just enumerated did, doubtless, operate to a certain degree. But on analyzing the general effects, it is, from the quarter in which the embarrassment originated, quite evident that a derangement in the currency was the primary exciting cause: that

derangement proceeded from the unfavourable state of foreign exchanges, owing to which the country was drained of specie; and of all the assigned causes of this drain, payment of importations greatly exceeding the country's exportation, and, therefore, for the reasons assigned, fairly attributable to the new system, seems to be that which is best founded in probability.

When the effects began to display themselves, people's eyes opened to the system of gambling which had lately prevailed, and thus by creating distrust, increased the evil. In addition, however, to the more palpable effects of the altered policy, there is also to be remarked, the disposition to wariness and caution observable in the great capitalists by all who mix in commercial circles; I allude to the hesitation manifested by our eminent merchants, before they make any extensive investment for home production. They are all willing to see how the new measures will work, and how far foreign competition will affect them, before they complete their arrangements, or take any decisive steps towards future transactions. To use a homely phrase, they hang upon their oars; and thus a double effect is produced: there is a great activity of dealing as respects foreign manufactures, and a great stagnation in that description of British in which collision with foreigners may be anticipated. The inference may, indeed, be carried farther; for it is no more than the truth to assert, that the opinions of practical men are hostile to the new system.

It is the easiest thing imaginable to promulgate statements of expected advantages, or even to produce the evidence of individuals who have been personally examined, to confirm the general accuracy of the principles of free trade; but when the practice of those individuals in their own business is examined, we shall find that they are not so confident in its merits as to preclude the wish that others should venture on the actual experiment before them.

In estimating the diffusion of mercantile knowledge throughout the community, it is a great mistake to imagine that merchants are not well acquainted with the theoretical principles found in our standard writers on Political Economy; the thing is, that not perhaps being conscious where the fallacy may lurk, those principles are either unheeded, or deemed incompatible with practice, without being exactly supposed erroneous. Hence it is not unfrequent, in abstract argument, to hear certain principles freely admitted by an individual, who would, perhaps, within an hour after, shape his transactions on a rule entirely different. The legislature should not disregard this fact. Men's actual practice merits more consideration than their most dispassionate statements. The latter are too frequently shaped to coincide merely with received notions; and even the most ingenuous will sooner run into this inconsistency, than seem behind the rest of the world in knowledge.

In every trading community this remark stands

exemplified; and, however partial testimony may represent the contrary, I have reasons for believing that I speak correctly when I assert, that in practice, the wealth, the respectability, and the intelligence of the City of London, are inimical to the removal of adequate protecting duties, or the abandonment of the restrictive system. The close relation subsisting between this feeling and the general state of credit is apparent; and its indirect, though widely spread operation should be numbered among the chief incidents tending to destroy mercantile confidence. It lays open individuals to be influenced by every passing alarm; and it is my belief, that, but for it, the great run upon the banks would not have been succeeded by the stagnation now witnessed in many of our manufactures. Consequent, then, on the adoption of the free trade policy are two predominant effects; the one obvious—leading to a derangement of the foreign exchanges, and occasioning a drain of specie, which, in a country where paper-money forms the principal portion of the circulating medium, must unavoidably prove disastrous; the other concealed—but serving to strengthen and extend the evil, by creating uncertainty and distrust.

Agreeably to the maxim of writers on finances, the first should quickly pass over, and not in the least degree obstruct manufacturing industry. If our imports exceed our exports, the consequent drain of specie should diminish the quantity of our

currency, thus lower prices, and enable us to export to a sufficient extent to preserve the balance of payments. If, for example, the balance of trade were 5 millions against us, and the amount of currency 55 millions; and if a revulsion occurred, creating a great demand for specie, by which the currency became reduced 10 millions; this reduction, supposing the country's dealings unaltered, would lower the price of commodities, and this lower price would tend to restore a proper equality between the imports and the exports. Part of the currency being paper, would occasion no difference in the effects. Suppose it to consist of 15 millions coin, and 40 millions bank-notes. Even presuming that after the shock of credit a re-action should occur, so that the supply of coin increased to 20 millions; if the bank-notes were reduced to 25 millions, there would still be a reduction of 10 millions in the entire currency, and this must have the effect of lowering prices. When they are so lowered, it is very true that an equality is brought about between the imports and exports, but it is not occasioned by the seeming cheapness enabling us to export more; it is by the falling off in consumption of foreign articles, by our inability to furnish equivalents for them through the diminution of national prosperity. Let us conceive a general state of prices prevailing in the country, so that the manufacturer cannot obtain a profit by the exportation of silks, for instance. Let prices fall 10 per cent., and he will still be unable

to realise a profit. No real difference will take place as to the cost of producing these silks. It is said they are cheaper; but what is meant by their being cheaper? By being lower in value. Value in what? Here we shall, probably, have the several standards again brought forward. I trust, however, that I have shown the proper standard to be, the aggregate of all commodities; and as they have all in the same degree as silks varied with relation to the currency, (the measure by which they are compared,) silk is intrinsically no cheaper than before.

The whole operation, then, of bringing about a balance of trade, is effected by our diminished consumption of foreign commodities. Those commodities continued to be imported so long as they could be advantageously sold; but when payment for them occasioned a drain of specie, the necessary effect was to contract the supply. To make this point more clear, let us suppose the imports and the exports of the country to be each 40 millions, and that the change of system, and the introduction of foreign goods increased the imports to 50 millions. If a fall of 10 per cent. in prices then took place, in the manner just described, these aggregate values of the total imports and exports, estimated in money, would be reduced from 40 and 50, to 36 and 45, millions respectively. But this apparent cheapness would not give a greater inducement to our manufacturers to increase their production, and extend our exports from 36 millions to 45, or even to meet the difference half way, as is generally asserted. The

adjustment must be brought about by the 45 millions decreasing to the 36. It is obvious that there is no alteration in the real and intrinsic value of our goods. If we fancy them cheaper, and imagine that we can sell more of them to foreigners, we shall be much deceived. Foreigners, when those goods go abroad, measure the value of them by their own currency, in which there has been no variation, and not by ours which has fluctuated. When, therefore, there has been in these goods no real alteration in the cost of their production, how will they appear cheaper to these foreigners, or why should they buy more of them than they did before. A yard of linen exchanges for a peck of wheat, a peck of wheat for a pen-knife, and a pen-knife goes to France, and exchanges for a gallon of brandy. What avails it then, whether the linen, the wheat, or the knife, cost one shilling or three, accordingly as they may be estimated in the varying currency of England? The knife still exchanges for the gallon of brandy, there being as much right to measure its value by the presumed steady currency of France, as the fluctuating one of England.

It is thus evident, that when we are unable to compete with foreigners in our own market, either from want of skill, natural disadvantages, or intrinsic (not money or nominal) dearness, through which ensues a disproportionate importation, equality of payment is afterwards produced by diminished consumption. This diminished consumption is not confined to the foreign articles so

entering into competition, but to the aggregate of imports. Its practical operation is manifested in the persons whose industry is superseded. In plain terms, if an immense body of silk operators be thrown out of employment, the balance of foreign trade will be adjusted by their diminished consumption—that is, by their distress.

So long as bank-notes are convertible into coin, a re-action must very speedily follow a great drain of specie; and the effects here exhibited cannot be far behind.

To avoid confusion, the imports have here been presumed to be exactly equal to the exports in the ordinary balance of trade; but the reader knows that there should always be an excess of the former, which is the profit, or national gain.

It is intended by these views, to show how delusive it is to suppose cheapness a benefit, when proceeding from a deranged, scanty, or restricted currency. When commerce is in a healthy state, when our sources of production have fair play, when our bank-notes are convertible into coin on demand, the community being judiciously on the alert to avail themselves of that convertibility, and when the trade in bullion, of which coin is formed, is perfectly free, there is little fear of our currency becoming deranged; nor indeed need we scarcely trouble ourselves about it: its quantity, that is, the amount of circulating medium which we denominate money, will adjust itself to the amount of the country's dealings. Its value will be the same as

in foreign countries, making allowance for a slight difference, varying in proportion to the distance and facility of communication of the respective countries with the mines.

No bolstering up of money, no vaunted recipe of state empirics, will enable it by any management to remedy a high cost of production. Limit it; reduce its quantity from 50 millions to such a degree that we may purchase a loaf of bread for a penny, it would not enable a single additional yard of cotton to be exported from the country. We may, indeed, rest assured, that so long as a bank-note is convertible into coin, prices are just where they should be; any probable over-issue in the country-banks will not be on a scale sufficiently extensive, either in amount, or in the range of their local circulation, to produce a general depression; and if those prices indicate dearness, we must, to discover its cause, turn our attention to some other source than that of the currency.

From the foregoing views we acquire, further, an insight into the actual process by which a country, eminent in industry, is lowered from her station by an impolitic commercial system. It was stated in the preceding section, I presume, without dispute, that no nation was equal to impossibilities. Though I have admitted, nay strongly contended, that an active demand for imports chiefly indicates prosperity, yet when those imports are *greatly disproportionate* to the exports, they must give way; and it is all-important to reflect, that it is the bene-

ficial portion which gives way; luxuries which administer to the comfort of our population. That which has occasioned the excess of imports in the first instance, or the introduction of foreign manufactures superseding our own, probably, still continues.

The views in this section are of a nature both retrospective and prospective.

They are retrospective in showing to a certain length the consummation of my principles, and enabling me satisfactorily to point out an exemplification of occurrences, bringing home to every man's judgment the mode in which certain measures may operate.

They are prospective, inasmuch as they serve for a warning against further precipitate innovations. Let the Free Trade system be adopted in all its branches; let corn pour in from foreign ports; and can any reasonable person, from the exposition given, have a doubt of its prodigious influence, in addition to other injurious effects, of greatly deranging our foreign exchanges, and gradually undermining the credit of the country, both as regards our fellow-subjects, and in the eyes of foreigners.

It may be said that all this may be prevented by foreigners removing their heavy duties on the introduction of our manufactures, to which it has been the effect of the policy of Great Britain to give rise. This is a distinct subject, and is now to be separately considered.

Section IX.

Inquiry how far the policy of foreign states is influenced by a restrictive system on the part of Great Britain.

"Heap on restrictions, and other nations will retaliate!" Such is the favourite exclamation employed to show how a short-sighted policy, as it is termed, fails in its object, and circumscribes industry, instead of protecting it. In treaties of commerce between independent states, two parties must concur; if, therefore, we adopt the exclusive system, other nations will resort to counter-regulations to meet it, and these, it is affirmed, must be detrimental to the sum of British industry. Let not the least apprehension prevail;—foreign governments will assuredly discover, sooner or later, the true theory of commerce. It will then be perceived that all that has been here written applies with inverse effect to most of the countries of Europe. When, for example, France imposes heavy duties on British manufactures, who is the chief sufferer? Unquestionably France herself. She obstructs her facility of acquiring the only advantages England possesses over her, those of capital and machinery; and protracts, indefinitely, the period when her cheap labour would work its powerful

influence in giving her a preponderance, were competition free. At the first, some of her manufacturers might suffer, but she must ultimately either gain ground, or the habits of her people must improve, and approach to the English standard. In either case she reaps the chief advantage. This reasoning will be found to bear in every case which can be assumed; and, to give a practical illustration, could but foreign governments behold the rapid success with which the North of Ireland has latterly emulated in its manufactures those of Scotland, and many districts of England, they would perceive the utility and the value of free communication. Since the repeal of the Union duties, those very manufactures, which it was at one time deemed so essential to protect, have made more progress than they did for twenty years previous. Indeed, no truth in politics can be established with greater certainty than this, that in free intercourse between a rich and a poor country, the latter derives, beyond comparison, the chief advantage. She has not the shadow of excuse for levying a single fraction in the nature of protecting duty.

Well, indeed, might M. Say endeavour to enlighten his countrymen, and remove the apprehension of suffering from free intercourse with a country so well calculated to excite exertion, assiduity, and enterprise. The grounds on which benefits would accrue, are perhaps different from those contemplated by M. Say, but still the result would be the

same, a quickening improvement in France, united with a spirit of emulation which would impel her forward with a celerity unknown in any period of her history. Even in those parts of Normandy most visited by the English, there is a discernible superiority over the rest of the population; but it is active commerce, leading to rapid and frequent communication, which affords, to an inferior country, the opportunity of imitating the customs and institutions of a superior. Many intelligent men engaged in business in France, are sensible of this truth. A short time ago, M. Ternaux published a letter, which was copied into most of our public prints, stating that, in his opinion, no grounds existed to prevent an extended reciprocity of commerce between the two countries. This eminent manufacturer knew well that neither he nor his country would lose by the event. Those who have frequently visited England, and who have had time to investigate the details of many manufactures as they are conducted with us, are generally possessed with the same sentiments. In the aggregate, however, it cannot be denied, that greater jealousy and narrowness of ideas are evinced by Frenchmen, in the closeness and mystery with which their concerns are managed, than distinguish Englishmen; but this does not militate against the opinions of those who have moved more at large, and who feel convinced that they can compete with us successfully.

That candour and openness in traffic which cha-

racterize the British merchant is only attained to by experience, and prevails exclusively in the great mart, where dealings are extensive, and consequently confine men's attention to their own affairs. It is fallacious, therefore, to take the local feeling in some districts of France, for proof that England is most interested in establishing freedom of trade. After all, probably manufacturers are not the best judges, because the benefit lies, not in the sale of a few yards more of this or that article, but in the general example of industry which is presented by a rich country, being better known and appreciated from frequent intercourse. Experience will soon teach this to the continental nations; and I would hazard the opinion, that much more anxiety is entertained on the score of retaliation than can be in any degree warranted.

That much common advantage would result from a commercial treaty framed on equitable principles may fairly be conceded; but its spirit should entirely relate to a better developement of the physical peculiarities of each country respectively. On these grounds, the views of Mr. Pitt, as given in his speech in 1786, relative to the treaty with France, appear liberal, comprehensive, and politic. "Having," as this celebrated statesman observed, "each its own staple, having each that which the other wanted, and not clashing in the great and leading lines of their respective riches, they were like two great traders in different branches; they

might enter into a traffic which would prove mutually and greatly beneficial." If our abundant supply of coal, and our riches in mineral ore, thus give us great advantage in certain manufactures; and if, on the other hand, the genial climate of France produces wines, brandies, and oil; who would, for a moment, resist the interchange? the benefit is conspicous at a single glance. But from what quarter should the advances originate? This is now the point to which we have to attend. From what has been stated, I apprehend that this side of the channel is not the most interested. Our better constitution, our pre-eminence in science, it is argued, should prompt us to take the lead. This is very fine, no doubt, and admirably specious—but it may well be questioned if the point is best attainable by a morbid zeal, or if it display real political wisdom to solicit another to accept greater advantage than she can possibly confer in return. England should not refuse her aid to advance other countries, so long as the welfare of the human race is promoted, even though it may cause some diminution of her relative importance; but I cannot see that she should needlessly and officiously travel with it to other nations, when it is a boon for which they should themselves apply.

It has been said that our pre-eminence is artificial; if by this it is meant, that it is an insecure fabric, reared on an unsound foundation, I must contest the assertion; but if it is implied that

it consists of peculiar possessions and attributes which cannot be laid open without risk and injury, I uphold its truth. The spirit of equality is abroad; the individual advantage of nations is maintained to be the advantage of all; and industry is likened to the gentle dew of heaven which descends to nourish and to invigorate every country.

There is about this sentiment an imposing air of liberality which makes many converts. Associated also with the apparent philanthropy are certain notions regarding the uniformity and the universal principles of labour. It is their very essence to suppose its reward alike in all places. Which, then, has the greater claim to be lauded for benevolence? Is it the party which, with iron-hearted speculation, esteems our fellow-man as a mere spinning-engine—calculating the utmost point to which his labour can stretch, and regarding, with callous indifference, his privations, so he but render the required tale of yards of calico; or is it that which looks upon the humblest of our citizens as of the same species with the loftiest, and which upholds the humane maxim, that if each day bring increased gratification to ourselves, there should be prescribed no immoveable standard nor impassable barrier to curtail the enjoyment of the labourer?

PART III.

ON THE PROPER POLICY OF THE COUNTRY.

SECTION I.

CURRENCY.

THE state of uncertainty in which every branch of business is involved, by derangement in money transactions, plainly calls our first attention to the investigation of means designed to counteract the evil. The landlord finds difficulty in collecting his rents; the merchant is obstructed in the prosecution of his accustomed pursuits; the colonial proprietor finds, from unforeseen causes, that his produce is dull of sale; and the poor man, amid the general despondency, not only suffers from the embarrassment and the failure of those with whom he is connected, but finds himself deprived of employment. The eyes of all classes are, therefore, turned to the legislature for relief; but it is, unfortunately, less the province of legislation to relieve distress than to prevent it. The important functions which credit performs in every great commercial country, have more than once been exemplified; it is, in fact, the soul of commerce; but it is not to be upheld by

sickly expedients; it must diffuse itself with expansive and elastic force, promptly and spontaneously invigorating every department of industry; and as its restoration is the grand object to be attained, one or two considerations present themselves as more particularly deserving the attention of the higher classes, which, with the utmost deference, I here submit.

No matter how gratifying it may be to any statesman to have his own views engrafted on any system of commercial policy, he may be assured that all will prove inefficacious, unless the instruments with which he has to work—unless, in a word, the trading classes themselves think with him. What avails the finest and most luminous harangue of the legislator, if they who alone are practically concerned disregard it, and in their individual transactions, which collectively make up the sum of national trade, are guided by opposite sentiments. It is a common practice with some writers, whose presumption may be said to outrun their judgment, to denounce the ignorance of traders, and to maintain that their views are too contracted to merit the compliment of notice in any enlarged measure of commercial legislation. There is but little of Lord Bacon's notion of wisdom here conspicuous. It is, undoubtedly, the business of judicious legislators to enlighten the community at large; but it is possible to hold the torch so high as to leave those bewildered in darkness, whose steps it was intended to

direct. Possessed with these sentiments, the task before us is somewhat simplified. Regulations of the currency relate either to measures to place it on a permanent footing, or to temporary expedients designed to counteract particular abuses. The consideration of these differs greatly; for sometimes it may be inexpedient at a particular moment to introduce that which is in principle perfectly correct. Regarding thus the permanent basis of our currency, the popular voice calls out for a metallic circulating medium; and the popular voice, whether founded in prejudice or not, assuredly in this instance should be obeyed. Previously to inquiring into the precise mode and time of its proper introed induction, it may not be amiss to notice the grounds of objection advanced by two classes, usually very much opposed in their sentiments upon commercial matters.

The abstract economists object to a large supply of coin on the plea of expense! Independently of Mint charges, a large sum absorbed for the purpose of circulating commodities is deemed so much taken from the productive capital of the country; and if the rate of profit be 10 per cent., then an injury to the extent of 10 per cent. on the amount of coin in circulation is sustained. It is easily seen, that this opinion supposes an universal disposition to employ the capital of the country in productive industry up to its entire amount. It is inherently and radically dependent upon those peculiar notions of production which distinguish this sect, and which,

if erroneous, equally invalidate the axiom here inculcated. If 10 per cent. profit be nationally lost on the amount of coin in circulation, it must follow that if paper currency were substituted, the whole amount of that coin must then be employed in manufactures, or other branches of production; which is plainly rejecting the consideration of corresponding demand. I do not pretend to say, that a metallic currency is not expensive; or that the government might not derive a revenue from taking the banking business into its own hands, after the manner of Mr. Ricardo's projected national bank; but I do distinctly deny the sweeping assertion, that it is a loss to the nation of the prevailing rate of profit upon the entire amount of gold in circulation. Some loss there certainly is, to which are to be added the Mint charges, amounting on gold, according to Mr. Mushet, to one-half per cent. Against this we have to oppose the satisfaction testified by all parties; the security against risk, embarrassment, or calamity; and above all, the protection afforded to the lower orders against accidental failures: benefits so signal, as to overrule the plea of expense, in support of a contrary measure. Neither does there seem any reason why a seignorage should not be exacted to defray the expense of coinage. As was very properly observed, a person who is possessed of bullion, and desires it shaped into any utensil, has to pay the expense of working; so if he wish it converted

into coin he should equally bear the charge incurred.

In regard to any device that may be employed to obtain the advantage of paper money, as that of paying notes in stamped bars of bullion, and at the same time to provide against those vicissitudes which are of continual occurrence in the political world, it is to be apprehended that much difficulty must be experienced. Mr. Tooke has most satisfactorily demonstrated, that the supply of bullion contemplated by Mr. Ricardo and acquiesced in by Mr. M'Culloch, as sufficient to remain in coffer under the plan of paying notes not in coin but in bullion at once, would be inadequate, and under many possible, if not very probable, contingencies might lead to a recurrence of the panic similar to that just witnessed. If, then, a large supply of bullion be at all times imperatively required, why not indulge the popular predilection, and directly resort to coin in its place.

The other objection against metallic currency proceeds from the Agriculturists. They are fearful of prices falling, not perhaps sufficiently examining how their interests would be affected, even if they did. A little reflection, however, teaches us, that this apprehension on the part of the agriculturist is far from surprising. Writers on finance have declaimed so much about high and low prices, that they must have tinged the rest of the community with their prepossessions. It not unfrequently hap-

pens, that where an individual is well versed in any particular branch of study, and has devoted to it much of his attention, he is prone to display his acquirements on all occasions, and, consequently, much more than necessary. It is said of Michael Angelo, that his consummate knowledge of anatomy prompted him to delineate too strongly the anatomical developement of his subjects, and thus to overstep those bounds of correct keeping required by his art. If I may be allowed the parallel, I would venture to remark, that with politicians both in and out of Parliament, there is in principle a similar disposition to thrust forward the question we are now considering, that of the currency, to illustrate much of the phenomena continually appearing in a highly-civilized society, while in reality widely different branches of political economy must determine its solution. Wheat cannot rise 10*s.* a quarter, but we see some wiseacre plumping down on the prolific currency as the cause; nor can a statement appear in the periodical press shewing a deficiency in the quantity of dollars exported to the East, without some other ingenious theorist expatiating on the probable fall in value of the precious metals in Europe. In the discussion of the subject of Foreign Exchange, I endeavoured to shew, that virtually there was little fluctuation in the value of the precious metals; that in common language, dearness or cheapness proceeded generally from other causes than variations in the cur-

rency, and what indeed scarcely requires elucidation, that a supply of paper-money must not only be great in itself, but much greater in proportion than the ordinary dealings of the country to cause a rise in prices.

The converse of the proposition will hold equally; and to lower prices, the supply of coin must be inadequate to the ordinary dealings of the country. Is it, then, to be expected that this deficiency should occur? The answer, I presume, must be in the negative; for bullion, through the transactions of trade, must flow into the country like any other commodity; it must bear the same relation in England as in other countries; and its value would be such, that if ever there were a disposition for prices to fall, there would be an immediate inducement for individuals to carry bullion to the Mint to get it converted into coin. There is, indeed, a manifest inconsistency in most of those who are apprehensive of low prices. When defending the country-paper issues they deny the evil imputed to them, that of raising prices; yet when measures are agitated regarding the control of those issues, they object, on the score of their lowering prices. Both opinions cannot certainly be correct; and as I do not, of course, allude to temporary and local difficulties in payment of rents, but to the permanent principle of the measure, I feel little hesitation in avowing my conviction, that no part of the agricultural body would sustain the smallest inconvenience from a metallic currency. When, indeed, we reflect that

in the two most populous districts of the kingdom small notes are unknown, it seems a waste of words to confute the idle apprehensions entertained from the projected suppression of the most objectionable description of country paper. The metropolis, and the county of Lancashire, have not been inundated with one and two-pound notes, and still we witness none of the imagined evils; no deficiency of credit, nor one of those prognostications of ruinous depression which seem conjured up by particular parties to frustrate the wishes of the people at large, and to prevent their recurring to that legitimate measure of value which all other civilized nations have adopted.

Having said so much regarding the permanent principle of the measure, the question next arising is, as to the time of introducing it, and the specific mode to be employed, to create as little convulsion or alarm as possible. It will be understood, that when I speak of adopting a metallic currency, I regard it in the sense at present understood throughout the country, and mean simply the suppression of bank-notes under *5l.*: any further amendment in the banking-system belongs to a separate inquiry.

It is amply proved, in all the affairs of life, that when any great mischief befalls, an immediate clamour is raised against the system, without attending to the important consideration that that outcry comes too late to remedy the evil by a change, and that such a change being entirely shaped with a view to the future, the degree in which its adoption becomes

urgent is solely dependent upon the greater or less probability of a speedy recurrence of the evil. As a consequence of the recent panic, all classes cry out for a change; and there can be little doubt of the legislature being violently beset with claims for its immediate interference. Many plans have been proposed; some to restrict the issues of the country-banks, some to put them entirely under the surveillance of government; others again, to curtail the privilege of the Bank of England; but all tending to the most serious changes in our monetary system. Amid this tide of feeling I shall subject myself, I fear, to much animadversion, when I pronounce it as my opinion, that, so early as the present session of Parliament, nothing should be done. Such, however, after every examination which I am capable of giving to the question, is my thorough conviction; and it remains to state the grounds on which it is founded.

In the first place, it is certainly evident, that if the mischief proceeded from the large issues of the country-banks, there is no probability of that event again occurring for at least a very considerable period. Those of them which have weathered the storm will continue circumspect; and not only does the reasonable appearance of things induce us to this belief, but in reality confidence is gradually restoring, as to this peculiar branch of business; and if there be increasing stagnation in the mercantile world, it no longer originates from this cause. Notes issued by responsible firms are not inherently pernicious,

it is only the excess of them; and, though the difficulty of providing against that excess is such as, on the broad principle, to justify the adoption of a metallic currency, yet so long as there is no danger of this excess actually recurring, or having a tendency to recur, surely the interval will be better employed in temperately and thoroughly digesting plans for that eventual law, to which all persons may look forward for years together, as the guide of their conduct, than in precipitately employing expedients which may be reversed within two or three sessions.

In Ireland the banking system, for a long period, was more vicious than in any other part of the empire. In 1820 a most violent convulsion took place, the number of banks which remained solvent by no means equalling those which failed. Yet though a considerable time has elapsed since that season of calamity, imprudence was so effectually checked, that no mischief or inconvenience of any kind has subsequently arisen. Judging from analogy, I should infer that in England those banks which had not adequate funds for their business have been swept off, so that we need not calculate on another violent shock for several years; nor imagine that people will be so heedlessly lavish of their faith as to encourage the growth of unstable establishments. One of the chief circumstances occasioning misapprehension is the feeling generally prevalent, and, indeed, avowed in a high quarter, that the continuance of the distress, after the panic, is attributable to the currency, and that all other considerations are

foreign to the question. Whether this be the case or not, I think it can be shown that immediate legislation is impolitic. It is generally admitted that the predisposing cause of the agitation consisted in the rage for speculation. Now this speculation acted intrinsically from a feeling exerted by itself, or it was superinduced by innovations in our mercantile policy. Is the former affirmed? then all allow that it must pass by, and leave, unimpaired, the national vigour with that virtual essence which supports our industry, and which requires not the forced aid of government to operate its cure. Is the latter supposed, or are there even any doubts upon the subject? then surely it would be better to sift those doubts—to search minutely into the primary causes of the whole movement; lest, by proceeding on false premises, the legislature may incur the indignity of having its wisdom disputed. On these grounds I advocate delay, convinced that it is beyond the reach of the profoundest statesman to master the subject with the imperfect data presented for his guidance. One argument, indeed, which has been urged, merits attention. It is said that in the present peculiar juncture it will be more easy to accomplish a change than at any other time; because men's minds being agitated, if not exasperated, against an alleged abuse of banking, impatient haste will lead them to acquiesce in any regulation to subvert at once a vicious institution. I feel assured that such a course will never be re-

sorted to by the present administration. They who have so often borne the country victoriously through her struggles, and the result of whose councils will be handed down to future generations as vying in wisdom with the most illustrious era of our history, would never have it said that they made their measures subserve to the times, and preferred what was easy to what was proper. It is most certain that there will always be parties to raise objections; at some future period, in all probability, the number of such objections would be greater than at present; but if one period be demonstrably more proper than another, that period should assuredly be selected, unrestrained by any pretext of difficulty.

With regard to further measures for the improvement of our banking system, lately promulgated in a variety of shapes, I am constrained to acknowledge that I cannot exactly approve of them. The plan of making all bankers give security to the government is a sweeping expedient, and I hope I am not introducing an irrelevant idea, when I assert that it could never have originated with a friend to civil liberty. To put the government into the character of a vast creditor upon every branch of the most respectable, the most essential, and the most delicate of all employments in trade; to subject it to a clashing with individuals in many legal transactions, or in the case of accidental failure; to give, in fine, an inquisitorial power to sit on the most invidious of all investigations, that of property, would, indeed, be

to purchase a secure currency at a fearful cost. Besides, does it at all appear that the chief object would be accomplished? Excess of issues may take place, either as relates to the solvency of the banking establishment, or as overstepping the purposes of trade. It is the latter that has, in a national point of view, to be chiefly guarded against. Where then is the guarantee that this will not occur? Is it not more probable that the banks, relying on the public confidence of their security, would each, for the sake of obtaining the utmost profit, push their issues to such an extent as might lead to the total disappearance of gold, the preservation of which is held so desirable.

The proposal to abridge the privileges of the Bank of England to the limit of sixty-five miles round the metropolis, and to establish branch or joint-stock banks throughout the kingdom, has undoubtedly many arguments in its favour. The statement given by Lord Liverpool and the Chancellor of the Exchequer, in their communication to the Bank, that trade in the kingdom had so increased, as that one single corporation was no longer adequate to its money transactions, appears at first view quite unanswerable; but I would submit that one grave consideration presents itself on the opposite side. Competition in banking is not like competition in anything else. When two manufacturers oppose each other, the public may expect to derive an advantage, either in greater abundance or greater

cheapness of their particular goods; but in money we do not require beyond a specific quantity, nor do we seek it cheap; we require merely appropriate adaptation of means to facilitate and maintain the commercial dealings of the country. All that strict and harmonious dependence of one class upon another in the trading world, which inspires faith and is the regulator of credit, can be clearly traced through every subordinate channel to some original source, which should not, in a detached sense, be regarded as an instrument of commerce, but rather as a great national depository, identified with the stability and the existence of the state. Such, in fact, will ever be required, if we hope to preserve the energy and the activity of our commerce, or if we wish that England should be regarded by the other European nations as a place of security in which to lodge their wealth against emergency abroad. Responsibility must thus exist on a great scale; and as it is notorious that foreigners repose confidence in British monied institutions, chiefly because they are under the direction and control of private merchants largely interested in their support, and not under that of government, the question is, how that responsibility at the fountain-head of credit should best work and be most efficaciously exerted? In my opinion, unity and singleness of purpose are by far the most essential ingredients—of such importance, indeed, as greatly to overbalance any local or other disadvantage. Is there a single court-day of the Bank of

England in which the directors do not feel assured that the eyes of the whole community are upon them; and must not such a consciousness impart to their proceedings some caution, as well as induce an attention to the public good? Those who are hostile to the Bank seem entirely to forget that an institution of some such nature is no longer a matter of choice; there is absolute necessity for some extensive establishment to manage the public securities and other vast money transactions; and the very nature of that management must give rise to such influence and operation as, under every modification, to be regarded as a leading index in determining the extent of mercantile transactions. The admission of this point is material, for it shows that no matter how you may control the mere issue of notes, some other functions, as respects the giving the tone to general credit, still remain; and if responsibility to public opinion be weakened, those functions may be exerted more profitably to the Bank while more perniciously to the public. We should not contemplate single errors or minor inconveniences; but I would merely propose one question: Has the Bank, in any of those critical situations in which it has been placed, ever availed itself to the extent of the means within its power, for realizing profit, regardless of the public interests? But if its privilege be divided with others, will it not then justifiably do so; and further, is it in the power of government (some such institution being,

for the reasons stated, deemed absolutely necessary) to restrain this disposition? The proprietors of the Bank must then conceive themselves circumstanced like any ordinary corporation, and, indifferent to public opinion, compete with other establishments as to which should make most money. Discretionary powers, we may be assured, must rest somewhere, as to the supply of money and credit in the present condition of England; and though I acknowledge that a prodigious power is reposed in so limited a number as that of the Bank Directors, yet I cannot see how that power is to be divided without greater mischief.

I should moreover add, that if we contemplate the suppression of all notes under 5*l.*, and the substitution of a metallic currency in their place, the alleged inconvenience, of the Bank of England being inadequate to transact all the business required of it, will no longer exist. The evil desired to be corrected, is, that of existing regulations preventing the establishment of banks on so secure a footing as they otherwise would be throughout the country, and the consequent suffering entailed on the rest of the community in case of failures. It has been usual to dwell on the effects of these failures to the poor, as a leading argument in favour of joint-stock banks; but if all notes under 5*l.* be suppressed, the poor man can scarcely run any risk; and for those other persons transacting business with the Bank, they may be presumed to possess more accurate

information, and if they repose faith where faith is unmerited, they have to blame their own credulity. I do not pretend to deny that the country-banks are too numerous; good might certainly arise from a combination of several into one; but in viewing the establishment of joint-stock banks, coupled with the proposed infringement of the privilege of the Bank of England, I fear that the result must be a preponderance of evil over good.

In closing this subject, I must again express my belief, that commercial distress is too often attributed to the currency. What is required to invigorate the arm of industry, is, confidence; and to restore it, requires a process very different from that of discussing our banking system. It has been asserted, that as distress pervaded all classes, it was a striking proof that it did not originate from alterations in commerce, they only affecting particular classes. An opposite conclusion, however, may be drawn. All traffic consists in barter. If two men each produce a certain article, and their dependence is solely on an exchange with each other, if one loses the means of procuring, the traffic of necessity ceases, and the other equally suffers. The enlargement of this simple case exemplifies the whole of the relations of commerce, and it is easy to apply its illustration to the loudly-deplored distress existing in England. If the silk trade extended to the prodigious amount stated by the manufacturers in their petitions to Parliament, and

if the consequent privation be to the extent asserted in the claim of the sufferers on public charity, the diminished consumption of the several classes concerned must severely press upon those who supplied them; and these being thus deprived of the ability to make their accustomed exchanges, others are involved in their embarrassment—thus, like a body rolling onward through adhesive elements, each advance augments its magnitude in fearful proportion, and threatens to overwhelm all within its track, unless its progress be arrested.

Section II.

CORN LAWS.

When a nation attains a high state of civilization, a rigid adherence to one great virtue is the only course which can tend to mollify hostile interests, and preserve the sacred union of the social compact. Justice is the splendid attribute which should grow with a nation's growth, and compensate for the gradual decay and abolition of those virtues which distinguished the primitive ages. To no other plea should the community listen, and on no other ground should the agriculturists attempt their defence. In the preceding part of this work, the injury consequent on the removal of restrictions was pointed out, it is now proper to inquire to what extent the agriculturists should be protected, together with the mode best adapted to its accomplishment.

The extent of protection rests, in principle, upon a very simple basis; like as in other employments, it should be determined by the amount in which the natural rate of labour in Great Britain exceeds other countries in Europe, taken in conjunction with our heavier taxation. This can only be ascertained by a careful investigation of such tables as those given in the early part of this work; and after a minute

inspection, I am of opinion that the present schedule of duties is not very far from a fair and equitable adjustment. The average price of wheat in France is said to be 40*s.* a quarter. I put it, then, to the candour, the judgment, and the justice, of the rest of the community, if, considering the extent in which immediate labour enters into the production of corn, and the amount of tithes, poor-rates, and general taxes in England, if the present price of 65*s.* to 67*s.* be very unreasonable? The great argument, deemed, in the higher political circles, justificatory of the change, rests on the remission of duties which has taken place within the last few years. Independently of the income tax, there has been the agricultural horse tax, entirely taken off, an abatement in the malt and spirit duties, with many others of a general nature, in all amounting to upwards of 17 millions.

It is, therefore, maintained, that if the agriculturists were content with the protection as last enacted, which they claimed on the plea of heavier taxation, the conclusion is surely irrefragable, that the relief can no longer be demanded when the burden is removed. On the contrary, the protection has every right to be diminished in the proportion in which the taxes have been remitted.

To this the agriculturists reply, that the remission of taxes has chiefly benefitted the consumer, and has lowered, in a degree, but trifling, the cost of production. Tithes and poor-rates, which bear

almost exclusively on their class, still remain, and therefore warrant the continuance of liberal protection.

I partly concur in both of these statements, but I am bound in candour to say, that, restricting the argument to the views originally maintained by the agriculturists themselves, the former appears to me to preponderate. If protection amounting to upwards of 30*s.* a quarter was granted, on the ground of excess of taxation in England over other countries, so very large a reduction of taxes as 17 millions, either taken generally or otherwise, must remove a considerable portion of that excess, and would furnish, therefore, indisputable grounds for greatly lowering the scale on which such protection was required. But I conceive that taxation, though an important, is not the main, plea upon which the agriculturists should rely. Remove both tithes and poor-rates, and they, as well as the silk manufacturers, can still put in claims for protection.

To afford some idea how little the remission of taxes has affected the leading elements which determine the cost of corn, I shall lay before the reader the total expense of cultivating 100 acres, as stated by the Agricultural Board:—

1818.	£.	*s.*	*d.*
Rent . . .	161	12	7¾
Tithe . .	38	17	3¼
Wear and tear	31	2	10¼
Carry forward	£231	12	9¼

Brought forward	£231	12	9¼
Labour	161	12	11¼
Seed	98	17	10
Manure	37	7	0¼
Team	134	19	8¼
Rates	38	19	2¾
Interest	50	5	6
Taxes	18	1	4
	£771	16	3¾

If rent be excluded, on the ground of not properly entering into the cost of production, immediate labour is seen to be, beyond comparison, the chief item of expense. Besides the direct amount placed opposite to it in the above statement, a little reflection shows how essentially it enters into most of the other charges. The seed naturally depends upon the cost of producing it in the first instance, and increases or diminishes in price with the rise or fall of labour. The expense of the team is dependent upon the cost of agricultural produce, in the feed of horses, and is therefore equally influenced by the rate of labour. The same is, to a certain degree, the case with manure. Suppose labour to be decreased 50*l.*; the other three items are reduced, if not in a corresponding proportion, at least in a degree very nearly approaching to it; and when those several amounts are added together, they form nearly five-sixths of the entire cost. It is easy from this to perceive how very little is saved to the farmer by any reduction of taxes which has taken place since

the peace. The whole amount of the direct contribution comes but to 18*l.* 1*s.* 4*d.* If we even suppose it reduced one-half, the benefit will still be such a comparative trifle as scarcely to claim consideration. The poor's-rates and tithes still remain nearly the same, and if we turn to the expenditure of the labourer, the real amount of relief extended to him is still further below what is generally imagined, or would be, at first sight, conceived. The quantity of soap used in a labourer's family costs 7*d.* weekly, on which the diminution of duty does not exceed 0½*d.* The amount for beer is put down at 0½*d.* Now, though the retail price seems to have undergone but little variation, let the reduction be estimated at 2*d.* a week, and this, to the labourer, it certainly does not exceed. Salt may, perhaps, be taken 1½*d.*, and leather, with all remaining reductions, at 1*d.* more. The gross amount of this relief is 5*d.* per week, not the twentieth part of his entire wages.

From this enumeration, if Mr. Whitmore proposed a duty of 10*s.* the quarter on imported wheat, to balance the higher taxation in England, what should be allowed for the difference in the natural rate of wages? The difference here with those countries in Europe which would supply us with grain, cannot amount to less than 2*s.* 6*d.* per week, which approaches to a third of the total earnings. In the foregoing table of the cost of cultivating 100 acres, let this deduction be made in the charge for

labour, and let its effects on the other leading items of expense be also deducted, and then the agriculturists will exhibit, perhaps, fully as strong a case as the manufacturers, when they maintain 65*s.* per quarter for wheat to be no more than a fair remunerating price. To any attempt to controvert this position, by adducing the example of partial poverty, and low reward of labour in particular districts, the reply may, finally, be reiterated. Superior habits and customs, more than equal to all the purposes to which the argument has been applied, are virtually and securely established in England; and if they are trenched upon, or if distress exist, it is the fault of legislation. Every measure, therefore, of public policy should be grounded on the principle of their permanent existence among us, because if ever this consideration be neglected, our labourers must, sooner or later, decline to the same state as those abroad, and depend for melioration, not exclusively on our own, but equally upon foreign government.

Proceeding on these data, the great object is to ascertain what scale of prices should be taken to govern the admission of foreign corn. Individuals will, of course, differ materially as to this point; but it is my opinion that 65*s.* to 70*s.* is not far from the standard.

To frame measures to accomplish this object satisfactorily, is undoubtedly a difficult task, and perhaps no mode totally unexceptionable could be

selected. Many writers maintain, that it is impracticable, under a prohibitory system, to preserve a regular high price of corn in England, if much above that in surrounding states. This objection being strenuously urged by all those opposed to the agriculturists, and involving as it does a general principle, demands the first consideration. Mr. Whitmore, in whose opinion Mr. Huskisson concurs, rests the case on the impossibility of getting rid of a redundant crop by export, through which a ruinous depression of prices must infallibly ensue. In the succeeding year, as a natural consequence, less land is cultivated; the supply falls short of the demand; and to a period of unnatural, plethoric abundance, succeeds a season of privation and distress. In such a state of things, the bounty of Providence is turned into an evil; instead of the farmer's having to rejoice in ample crops, they are to him the forerunners of suffering; for the greater the excess, the greater must be the depression of prices. To the rest of the community, and particularly to the labourer, the alteration from cheapness to dearness must be signally pernicious. They grow heedless in prosperity, and when at length overtaken by distress, the parish has to endure the burden of their support. In confirmation of this, we need only advert to the very high prices in 1818, and the very low ones in 1822, at which latter period the farmers became so clamorous for relief; and when it was fully established that the evil sprang from an almost

unprecedented glut. We are now, it is contended, approaching the opposite extreme; and thus the interests of the agriculturists are subject to incessant fluctuation, and the means designed for their benefit defeat themselves.

Such is a general outline of the leading argument against the present system, which Mr. Whitmore has illustrated with considerable perspicacity in an Essay, to which the reader is referred for more minute information. It might be supposed that the agriculturists were the best judges of their own interests, and that they would promptly abandon a system which worked them more injury than benefit. They do not, however, seem so convinced. To get over the rather staggering fact of the low prices in 1822, they attributed the cause to taxation; alteration in the currency; diminished consumption; and importation of foreign corn—all of which were alleged with the greatest zeal and confidence. I esteem it an injudicious line of argument, and one which has tended so much to prejudice intelligent men against the working of the present system. None of these causes, excepting that of alteration in the currency, could seriously operate, and I quite concur in the opinion that even the influence of that did not go beyond 7 per cent. The real cause, that of a redundant crop creating a glut, must be conclusive at first sight. To export is out of the question, for prices would have fallen considerably below 30*s.* to pay the expenses of freight and

shipping to a foreign market; and it is evident that any approximation to this price would substantiate Mr. Whitmore's argument, as regards a considerable transition from dearness to cheapness; but in making this admission, I by no means agree that the effects would be such as those ascribed. There either is a tendency to high prices, or there is not. If there be not, there remains nothing more to be said; for whence, then, the clamour—whence the necessary dread of evil in the existing regulations? Assuming, therefore, a tendency to high prices, the question simply is, when a large crop occurs, must there, of necessity, be a great fall? I cannot perceive the reason yet at once supposes the whole crop to be consumed within the year, and that there was no prospect of a future recovery in prices. If the population of Great Britain, as that of Ireland, were fed on potatoes, a description of food too bulky to be stored up for several succeeding seasons, the case would then be clear. But in England, where the mass of the community subsists on white bread, with a moderate proportion of flesh-meat, it seems to me absolutely visionary to calculate on a transition from cheapness to dearness with any thing like rapidity. It is granted that less variation is found in the seasons, where we take the cultivation of a considerable extent of territory, than if we take only a small district. Viewing the surface of the whole British empire, there is really abundant room to allow for partial vicissitudes. Should a failure

happen in England, in Scotland there may be an average, and in Ireland an abundant crop. Many improvements, also, have been introduced, through which soils, formerly deemed incapable of a certain species of culture, now yield productively. Mr. Arthur Young stated, that no good wheat could be grown in the northern districts of Britain. Now excellent wheat is produced in Inverness-shire, and it is probable that the culture is susceptible of still further improvement.

Besides this circumstance, it will be remembered that a comparatively small portion removed from sale has the effect of preserving an equilibrium in the markets; and if the prevailing state of things conduce to dearness, it is difficult to conceive why speculators should not enter the market in a period of cheapness, and lay in stores, with a view to realizing a fair profit when the redundancy had subsided. It may perhaps be asked, if the expense of this, added to the speculator's profit, would not amount to such a sum as could scarcely prevent the ruinous transition it is intended to obviate? I answer, that I believe not. Good wheat may be kept for a period of six or even seven years. At the end of the first year, its value will somewhat increase, to the extent, perhaps, of 2*s.* a quarter. At the end of the second year, its value will sink 1*s.*, in consequence of gradually losing its spirit and strength. The depreciation in the third year may be estimated at 3*s.* or 4*s.*, and at the end of

the fifth, as much as 5*s.* or 6*s.* the quarter. Let warehouse-rent be also taken into account, with the various subordinate expenses, and it will be found, that after affording a fair profit to the capitalist, it will still prevent that ruinous fluctuation in prices so much insisted on by the opposite party as inevitable. The usual estimate in Mark-lane of the expenses of granary, airing, and contingent charges, is 3*s.* 6*d.* per quarter per annum; to this is to be added the diminution which takes place in quantity, averaging three-quarters on the hundred. Derangement, then, and inconvenience arising from superabundance are the objects to be remedied. Now it is contended, that as there may be a successive series of good years, as well as of bad, it is impracticable to store grain on a scale sufficiently extensive, or for a period long enough to avoid sooner or later the consequences of a glut—No capitalist would run the risk. But a little reflection will show that this conclusion is by no means warranted. There is no occasion to store grain for a number of years. To remedy the evil of scanty crops belongs to Providence—but it is in the hands of man to counteract any inconvenience that may result from abundant ones. Whenever a deficiency occurs, the cultivator sows more seed next year, and if his labours are not rewarded by success, he must submit with patience. Such may be the case year after year, and though he use progressively increased exertion and care, his ut-

most efforts may prove unavailing. But when at last a large crop arrives, and there is a tendency for prices to fall materially, it is the farmer's own fault if he allow the evil to continue. He may sow less seed; and even supposing he neglects this in the first, he will hardly do so in the second year after such abundance. Extensive resources, and a variety of culture, more remotely affected by the general depression in prices, are still open to him, and to these he will betake himself until the glut abates. It is therefore straining the point to contend, that the probability of a great glut continuing for many years must be provided for; one or two years for a speculator to lay up grain is all the time required; and allowing an annual rate of profit of 15 per cent., any fluctuation in prices, that could be pronounced to visit positive injury on the rest of the community, would be effectually precluded. It will always be kept in mind, that the question contemplates a fair remunerating return to the farmer as the natural state of things. Sometimes prices will be above this rate, sometimes below it. In addition, then, to the observations regarding the speculator, to assume a very rapid fall unavoidably consequent on a redundant crop, is to imagine great ignorance and great poverty on the part of the farmer. Wheat keeps best in the straw; at the expiration of a very considerable period it may be brought in and thrashed as conveniently as when first cut. Taking then the average of British farmers, generally a respectable

and opulent class of men, possessing fair capital for conducting their business on an extensive scale, is it, under a well-regulated system, to be supposed, that when there appeared a tendency for prices greatly to fall, they would passively acquiesce? Would they not much rather withhold from sale? But even imagine them in despair of better prospects, and their patience exhausted, or their means inadequate to holding over their stock any longer, still there is the capitalist, possessing superior judgment, and conversant with the principles which govern the cost of production, knowing well, too, that prices must soon range higher; and he confidently enters the market, and by his operations the ruinous fall of prices is materially prevented.

A considerable fall there must be, no doubt, because such is necessary to induce the capitalist to speculate; but the argument advanced, simply is, that that fall is not to the extent maintained by the opposite party; that the description of food used by the mass of the people in England can be stored up for a considerable period of time; and that, in consequence, the fluctuation in prices will not go beyond the expense thus incurred, (including the speculator's profit,) until a re-action take place. How then, it may be demanded, do you account for the great fall in 1822? Much, undoubtedly, must be attributed to the uncertainty, the agitation, and the doubtful policy of the legislature. What man in his sober senses would attempt, for some time

back, to make his calculations, and to trade in corn, in the same manner as in any other commodity? So long as great excitement and fluctuation exist—so long as ambiguity alone is certain, and the law of this year will in fair probability be repealed by that of next, it were indeed vain to look for steadiness of prices.

Mr. Whitmore labours to prove the corn-merchant's averseness to speculate, to be attributable to the system itself, it being impossible for any man to found calculations upon the ultimate state of the market. It is almost inconceivable how a writer could distinctly lay it down, that the cost of production was particularly high in England, to which state things must ultimately gravitate, and yet, a few pages further on, maintain, that no person could form an estimate of the principles which governed prices. The capitalist will not be at a loss to judge of the vicissitude of the seasons, but until a decisive *quietus* be given to Mr. Whitmore's annual motions, the former is compelled to square his operations, not so much upon his own judgment, as upon a more capricious authority.

Prices, as every one knows, depend much upon popular notions, echoed from one to another; and if all prospect of the future seem vague and incomprehensible, there is no scope for the exercise of that counteraction which might remedy, or qualify, recurring evils. During the debate, last session, on Canadian corn, on a dread being expressed that the importation of it would be larger than was an-

ticipated, it was observed, that the measure might be tried for a few years, and then, if it did not answer, we could resort to another! This sort of legislation may be not unaptly called the make-shift. If its effect be uncertainty in prices, I conjecture that most men will be of one opinion as to its source. It is permanent regulation that we require at the present moment, founded on plain and enlarged views, intelligible to all, and such as will enable men in business to make their calculations relative to the corn-trade, or better, perhaps, the corn-laws, in the same manner as they would in any other branch of commerce. The less the price of any article deviates from an uniform standard, certainly the better; but in such a product as corn, it seems absolutely fastidious and unreasonable, to expect close adherence to any regular rate. It is reasonable to be satisfied with measures which best secure the object for which they were principally enacted, provided no obvious injury attend their operation. Under an exclusive system, permanently established, so far from dreading incessant and ruinous fluctuation, I do fearlessly affirm, that a greater steadiness of price would prevail in England, than in any other European country growing its own corn. My reasons are, first and chiefly, the great facility of communication between all parts of the empire. Secondly: the expense and mode of agriculture; the condition and intelligence of the farmer, and the general alertness and enterprise in business among us: all of which tend to equable

returns upon capital invested. It seems almost forgotten, that on the continent, or in provinces of the same country, there is frequently greater variation in prices, than that which, when occurring in England, is supposed to bring so much distress on all classes. This is caused by the want of good roads, and other facilities of transporting produce from the cheap to the dearer districts. Mr. Malthus has stated, on the authority of M. Garnier, that taking the period from the commencement of the Eton tables, to the French Revolutionary war, the extreme of high prices, and the lowest in France, exhibits a difference of seven times—in England only three and a half.

Next to the facility afforded the farmer of bringing his produce to market, is certainly the advantage of a country possessing abundance of capital to preserve steadiness in price. In framing regulations, therefore, we can, if circumstances warranted, confine ourselves without injury to a system strictly exclusive; and after this exposition, the different modes designed to protect the agriculturists can be better appreciated. They may be reduced to three in number. First, to levy on imported corn a general fixed duty. Secondly, to fix a minimum of price at which corn shall be permitted to enter. Thirdly, to fix a stated price at which corn may enter, paying duty.

1. Judging from the debates in the last Session of Parliament, the levying a regular fixed duty seems to be the mode intended to be adopted. It

appears therefore a primary object to ascertain the average price at which corn is selling in those markets from whence we should probably receive our supplies. Notwithstanding the numerous inquiries and elaborate publications which have appeared on this subject, much contradiction prevails. Each party adduces what they term an impartial series of facts, but they take care that these are so selected as to bear exclusively on their own theory, whilst those of an opposite tendency are studiously rejected. Even when sometimes forced to admit the latter, all possible ingenuity is employed to show such a state of things to be accidental and unnatural, and therefore open to speedy alteration. For instance, prices have, for some time past, been exceedingly low at Dantzig, but arguments are brought to show that this is influenced, not by the agriculture of Poland, but by the state of affairs in England. It would but fruitlessly fatigue the reader to give lengthy extracts of the evidence of persons examined before the Agricultural Committee, respecting the supposed price of corn in the ports abroad; the more especially as their statements have been brought so repeatedly before the public. From the return given by the consuls abroad, of the price of corn in the principal ports of Europe, as laid before Parliament, it unequivocally appeared that prices were much lower than those assumed in the reasoning of the anti-agricultural party. In the north of Europe, whither the attention is generally turned, on a discussion of this question, the price

at Dantzig was, in Jan. 1824, 18*s.* 9*d.*; in Dec. 21*s.* 7*d.* the quarter of eight Winchester bushels; and to these the other Baltic ports bore an approximation. 'Now, the main object is, to examine the grounds why a much higher rate should be taken as the average cost at which corn can be imported. It is said that the absence of the English demand causes a large accumulation, and prices would immediately advance if our ports were open. When there is an increase of competitors to purchase an article, the possessor naturally avails himself of the circumstance, and promptly rises in his demands. It is on this principle that a high shipping standard is assumed as the basis on which the measure should be framed. I am, however, of opinion, that notwithstanding the seeming obviousness of the conclusion, precipitately to act in reliance on it might lead into much error. Enough attention has not been paid to the cost of production in Poland, and the great ability there is for having the cultivation extended. To exclude the operation of supply and demand, is a favourite dogma of the anti-agricultural party, as applies to the elements of Political Economy—whence comes it, then, that in this case they admit and rely upon it solely? Can any member of the House of Commons, when it may be the object to lull the country-gentlemen into security, consistently expatiate upon the certainty of a great rise in prices abroad, whenever our ports open, when perhaps almost in the same breath he has laid it down as a fundamental position, that

the cost of production is the only permanent principle to attend to, and that it argues egregious folly to legislate upon casual variations in the value of commodities. Rejecting, then, the statement of the merchant, who attends merely to the effect produced at the moment of exportation, let us inquire at what price corn can be raised in Poland. From every thing which I can learn, it will, I believe, be found, that the present depressed state of the market is not imputable to the cause of glut alone, on such solid grounds as some have claimed for it. If we allow even a very high rate of profit to the cultivator, it will still appear that 25*s.* to 30*s.* a quarter is a remunerating price. Were an intelligent English farmer to visit those districts from whence the largest supplies are procured, and to be shown the implements for cultivation, without contemplating any further improvement in their construction, and then made acquainted with the wages of labour, I am convinced he would name a lower rate as a fair average, taking one year with another.

Respecting the mere cost of cultivation, all agree that it is very low, and, in consequence, other circumstances are generally adduced as tending chiefly to enhance prices. The great difficulty consists in transporting produce to the place of shipment; but it is surely improper to conclude that those difficulties are incurable. It was stated in the House of Commons last year, that the average price of wheat in Dantzig for the last forty years,

before its importation to this country was interrupted, was 45*s.* and a fraction. The implied inference was, that any return much below that rate must bring loss to the grower. It is, however, very essential to examine if any improvements have occurred in this interval, either in the mode of culture or in the facility of conveyance, which would tend materially to lower prices, while the profits of stock continued unabated. We are not in possession of sufficient information of an authentic character to decide this point satisfactorily, but the statements of those who have incidentally touched upon the subject, induce us to believe that such improvements have been considerable. Much, undoubtedly, depends upon the tenure on which the land is held, in determining the prices of agricultural produce. In this respect there is, probably, a serious obstacle on the continent. Too frequently it happens, that great natural advantages are neglected, or are crippled in their developement, from artificial and encumbering institutions; but as all who are interested, the landlord as well as the farmer, are desirous to increase their gains, it is reasonable to infer that they will ultimately avail themselves of their advantages; and in legislating with a view to permanent measures, we are warranted in assuming this conclusion. It may, therefore, be justly doubted, if freely opening our ports to importation would produce on foreign markets the effect anticipated. At first, there would be an

immediate rise; but if there exist capabilities for greatly extending the cultivation, to supply a market held in such high estimation as that of England, much exertion would be employed. Competition would be roused in different quarters, and the aggregate effect would most probably be reduction rather than increase of price. The general opinion of persons on the continent depicts England crowded with a starving population, voraciously craving the produce of their own more fertile soils. While this prepossession exists, it is natural to suppose, that any extensive relaxation in our system would seem to offer an immensely enlarged field for their enterprise. Such, indeed, is the idea openly avowed by mercantile residents in the places likely to benefit by the change; and whether their exportations to this country were eventually equal to the expectations formed, or otherwise, the result would still be a great diminution in the cost of production. It is admitted on all sides, that corn is very cheap in the immediate place of its growth. What circumstance, then, would operate most effectually to diminish the cost of transportation to the place of shipment? I believe it would be the opening of the British market. Like many other operations in commerce, the disposition to improve will come up to, and keep pace with, the incentive; and if the observation be correct, that the inhabitants of the corn-districts abroad conceive, that any great quantity of our supply is to

be taken from them, they will speedily find means to reduce the incidental charges. On these grounds should the agricultural body be quieted by the assumption of Mr. Huskisson and Mr. Whitmore, that prices would be permanently higher on the continent, in consequence of the wider demand presented by the opening of the English market, and that 40*s.* per quarter being thus deemed a fair and proper rate as the average export price, should be taken as the standard by which duties should be regulated, I do not hesitate to affirm that they would find themselves greatly deceived, and that they sustained much covert injury, while ostensibly they seemed fully protected.

It is their object, when the evidence of merchants is adduced relative to the state of prices in the shipping port, together with the chief causes leading to briskness and rise in prices, to bring forward the opinions of those competent to judge of the actual cultivation, as well as the probability of improvement both direct and collateral; and, in a word, the general effects which might reasonably be presumed to follow a widely-spread excitement.

The result, I apprehend, would justify a scale of duties higher than the nation is prepared to expect, even adopting the views of the anti-agricultural party, respecting that rate which they deem a fair remunerating return. Let us, however, suppose all parties satisfied as to the state of prices abroad, and a sufficiently high duty levied on imported corn; the

alleged benefit of that system which imposes a fixed duty has yet to be examined.

The consideration mainly relied on, uniformly advanced as justificatory, and, indeed, as decisive of the question, is, the promoting steadiness of price. When so many sources would be presented to Great Britain from which to derive her supplies, it would be almost impossible for variations of season to effect a change in her market. Granting that certain districts abroad, but lying within her own latitude, participated in any scarcity which visited herself, still it is most improbable that such would be the case with the remoter countries of Europe; but even, as an extreme case, admitting that all Europe suffered from dearth, there is still America, both our own settlements and the United States, open to us, and offering a resource until the evil became counteracted.

The next plea advanced in behalf of the fixed-duty system, is the establishing of greater freedom of intercourse with foreign states. Those barbarous barriers, as they are emphatically termed, which fetter and paralyze the industry of nations, would be in great measure broken down, and be succeeded by a more social communication throughout the world.

Let us now turn to the opposite side of the question, and consider what may be urged in reply.

In the first place, when writers expatiate about steadiness of price, they seem to forget the effects

of speculation, unconfined as it would be to this country alone, but operating in other places, from whence imports are obtained. In such a commodity as corn, a slight variation in the proportions between supply and demand produces extensive effects; and judging from actual practice and occurrences in other branches of trade, it really may be inferred, without the least exaggeration, that a greater variation in prices would obtain under this system than under any other. Reasoning upon theory merely, what article should preserve a greater steadiness of price than the one of cotton-wool? The demand for it in this country is certain and uniform. We are not confined to one exclusive quarter for its production. All parts of the world—the United States of America, the Brazils, Egypt, the East and West Indies, contend with each other in supplying us, and yet in what other article of commerce are there fluctuations so extensive and so ruinous? Within the last ten years, a period, too, of profound peace, two eras of calamity are recorded in Liverpool; one in 1819, the other in the last year; in which the transitions in price may be truly said to have caused to individuals the loss of millions. Let it be recollected that this proceeded not from legitimate causes, but from the mere influence of opinion—from the arts of some working on the credulity and the ignorance of others, rendering such reverses still more deplorable.

What then is to prevent similar occurrences in

the corn trade? Let us conceive the system fairly and fully adopted: all our internal arrangements suitably adjusted, and our population dependent on supplies from the North of Europe, to the extent of a million and a half or two millions of quarters annually. Suppose then the autocrat Nicholas suddenly to involve that source of supply in war—what would be the consequence in England? Would there not, at the very least, be a considerable fluctuation in prices? Even on a bare rumour, artfully managed, this might be the effect. The great corn-factors in Mark-lane would convert every such incident to further their immediate interests; and experience shows that there are always ready instruments to propagate, and infatuated victims to deplore, the fabrications of commercial cupidity.

When consumption depends exclusively on a country's internal production, every man can form a tolerably correct estimate of the state of things; and this general acquaintance with the subject precludes any very great change, beyond such as is natural and warranted. But when the supply is extraneous, and dependent on the operations of remote countries, the case is widely different; there is immeasurably larger scope for the exercise of artifice and undue influence; and perhaps not an article of commerce could be singled out which does not, in a moderate series of years, exhibit a capricious fluctuation in price, quite at variance with the

principles of those who maintain that a market has only to be open generally to the world to ensure its perfect steadiness.

The next objection to a fixed duty arises from its effects in a period of scarcity, or the occurrence of great deficiency in the home crop. When the feelings and the passions of the lower orders are roused by privation, they would not very patiently regard any tax on bread, augmenting, as it would do, a price considered as sufficiently high already. The duty would have therefore to be remitted. For this step, a power must be vested somewhere; and to provide against exigency, it would most probably be in the Lords of the Treasury, or in the Privy Council. Now it is not sufficient that the distinguished individuals who fill those high stations should be guided by views the most enlarged and correct—all those engaged in trade, or personally interested, must be assured of the absolute potentiality of such authorities to provide the means of a speedy reaction; and it may be confidently asserted, that they never will, whether sceptically or not, be so convinced, or hazard the shaping of their own conduct on measures dependent not upon explicit enactment, but upon the uncertain decision of individuals. I conceive that great weight attaches to this objection. It is a primary desideratum, that the rich farmer or the capitalist be induced to reserve the surplus of an abundant season for one of

scarcity. This can never happen, if the fair profit of such a speculation be exposed to be defeated by the admission of foreign corn free of duty.

There can be no fear that the reader should confound the injurious effects of speculation in foreign corn, as above deprecated, with the salutary measure contemplated, of storing up the superabundance of one year to compensate for the deficiency of another. The first is established on ignorance and uncertainty—the aspect and concurrence of things in foreign states being necessary to a thorough understanding on the subject. The latter is within ourselves, and proceeds on an entirely different principle. It is simply, that the capitalist lays out his money for a reasonable return of profit, through which he benefits himself and serves the country. It may in addition be remarked, that when we depend on ourselves for supply, the profit of thus storing up accrues to our fellow-subjects, whilst that of importation goes to enrich foreigners.

The remaining objection to the fixed-duty system forms a natural context to the benefit alleged to flow from a more social intercourse with rival states. The characteristic of that intercourse is extensive importation, and extensive importation must cause a serious abandonment of home-cultivation. On this point I should hope it is requisite to say nothing further here. It is the leading and primary consideration; and it is sufficient to observe, that

the adoption of a fixed duty, whatever be its amount, must inevitably throw some number, both of farmers and labourers, out of employment.

In concluding this head I have to observe, that I am well aware many distinguished statesmen advocate the policy of a fixed duty as the best that can be selected. I hope I am not presumptuous in dissenting from such authority; but having stated the reasons on which my opinion is founded, I cannot forbear adding, that of all the three modes devised to protect the agricultural interests, it appears to me the worst. It may be superfluous to add, that an annually-diminishing duty would be still more objectionable. Besides being ineffectual in the first instance, it tends ultimately to withdraw that protection from the landed interests to which they seem in common justice entitled.

II. The plan of determining the market price by means of averages, and fixing a stated rate, below which no importations should be allowed, has been warmly espoused by many of the agricultural body. Supposing it granted, that adequate protection should be conferred, this system requires the rate to be high to answer the intended end. The advantages generally urged may be cursorily enumerated. It stimulates the home-growth, and averts our dependence upon foreign states for a resource so momentous as that of sustenance. When a scarcity occurs, it requires not the interference of government to alter existing regulations,—as prices

being then presumed to be above the rate governing importations, supplies would pour in from all quarters. Yet, on ordinary occasions, we are by no means subservient to the caprice of foreign governments; it is only in cases of exigency that we have recourse to them; and though our labourers are then subjected to some privations, yet limits are prescribed, and their duration can be but temporary. Respecting the consequences of a large influx of foreign corn whilst our ports are open, it is affirmed that any seeming evil of this nature would correct itself. The larger the importations, the greater the fall in prices; and as the judgment of individuals would prompt them to perceive this result, they would forbear to go beyond the strict demands of the case.

If persons in business could be guided by really scientific principles, we might rest satisfied with this argument, but for the reasons assigned, touching speculation, this harmonious co-operation would never actually happen. If such be the case, the objection to this regulation is fatal. Whenever scarcity occurred, there would, as experience shows, be a simultaneous movement in various quarters; speculators would give full scope to the ardour of enterprise, and numberless candidates press forward, in the hope of gaining first possession of the market. No further comment seems necessary, as it is apparent that evils of perhaps serious magnitude must unavoidably follow.

III. From what has been stated, it will be seen that I consider the last of the three proposed measures as the most expedient to adopt for a permanent regulation: that is, still preserving the averages, but levying some duty on importation. This is similar in principle to the mode now in use, following up the recommendation of the Agricultural Committee in 1822. The price chosen as the standard by which to govern importation ought, undoubtedly, to be much lower in this mode than in the preceding one. What should be its amount, belongs to more experienced persons to determine; but I am of opinion, as I have already stated, that it should not be below 65*s.*, and certainly not above 70*s.*

To fix the rate of duty is the next great object, and I conceive it should be regulated at such a rate as to allow a liberal profit on importations, when there was a tendency in prices to get above what appeared a fair remunerating return: 10*s.* per quarter seems sufficient for the purpose. Many of the agriculturists may deem it too low; but I anticipate that that idea will yield to a just consideration of the case, under all its circumstances. Examining this system on its own basis, exempt from adventitious occurrences, it does not really seem liable to any of those great evils or inconveniences just detailed as inseparable from the other two. At the outset there is no extraordinary stimulus or excitement created in foreign states, to supply us with corn. Not trusting to England for a regular market, their culture

would proceed in its natural course; so that in the event of a deficiency of crop in this country, they would not have the ability to pour in an overwhelming supply, eventually, perhaps, detrimental to the merchant, and ruinous to the farmer. On the other hand, for the very reason that a failure in crops is not to be expected in all parts at the same time, there would, in the case of our own falling short, be little doubt of our obtaining an adequate supply from abroad, whenever our necessities required it.

The duty of 10*s.* per quarter would prevent any violent revolution in prices; but as it would still allow a liberal profit, it would not deter merchants from negotiating extensive importations. A strong inducement to do so ought to exist in seasons of deficiency, on behalf of the consumers, or the labouring population at large. Now, as the ordinary and natural course of things presumes a remunerating, and, therefore, a comparatively high price in England, the importer of foreign corn, whenever he gets his supplies admitted, need not be apprehensive of sustaining a loss, provided he be wise enough to hold over, when too sanguine merchants overstocked the market. Eventually the temporary glut would disappear, and prices conform to their ordinary rate. Nor, on the other hand, should the agriculturists dread an injury in the succeeding year from this over-proportioned importation; it should be carefully considered, that a very small excess in quantity tends to influence prices; our importations, in years deemed greatly

deficient, amount only to a few days' consumption; and, contemplating the nature and cost of production in England, it would be surely delusive to conclude that the residue of foreign corn unsold in the period of deficiency could afterwards sensibly affect the market; the more especially, as the circumstance of extraneous supply no longer presented a tangible object in people's opinions, to occasion forbearance on the part of the miller or the baker, in making their purchases. The holder of foreign corn, even leaving out of consideration the very limited scale of his operations, would then be in the same predicament as the holder of British; both availing themselves of their capital to obtain a fair rate of profit.

As all regulations should provide for every contingency, it may be demanded if the duty should be continued in seasons of dearth. I think not. But being a main object, it certainly appears advisable that the price which should determine its cessation be fixed by law. The present rate of 85*s.* is, perhaps, not unreasonable; and it occurs to me that a very extraordinary case must arise, to allow prices ever to reach one so high. The grounds for this opinion are simply the general state of prices abroad, and the great multiplicity of sources whence supplies may be obtained. It must be a great deficiency, indeed, if ample importations could not be made even long before the price reached 80*s.*, supposing (what wholly governs the question) that the law be permanently fixed. If it be liable to altera-

tion annually, or incessant discussion, I freely confess that scarcely any conceivable fluctuation in prices would appear to me surprising.

Lest the agriculturists should confound the operation of the duty on this system, with that stated on the plan first detailed, and conceive, from the elucidation there given, that it must still be too low here, I shall point out the distinction.

Agreeably to the first plan, foreigners, feeling convinced that from their lower cost of production they should supply us extensively, would seriously commence the undertaking; their utmost capability would be brought into action; and our ports being regularly and permanently open, their sales would be proportionate to the cheapness with which they grow their corn. Prices would then be determined, not by the cost of cultivation in England, but by its cost abroad.

In the third plan, which is the one I deem most eligible, the very reverse is the case. Prices would still be regulated by circumstances within ourselves, and the condition of things in foreign states remain unaltered.

In the former, the corn we import is grown expressly for the British market. In the latter, our importations, when they occur, are not grown with any such view; they have to be taken from the supply originally intended for, and originally proportioned to, the local demand in the foreign markets; and, consequently, to take part away, causes

an immediate enhancement of price. It is easy to perceive from this that 10*s.* is a liberal protecting duty, though I think not too much so. For the reason here given, I am equally inclined to condemn that diminishing scale which gradually reduces the duty as prices vacillate, from the minimum at which importation is allowed, to the maximum at which all duty shall cease. I should prefer a stated duty, continuing till prices reached a specific height, and then altogether ceasing; for this reason, that I think it affords greater certainty to the merchant's calculations; and also, perhaps, because I conceive that the high price would be of exceedingly rare occurrence.

The project of enacting, that three months shall elapse before the ports open, when prices exceed the rate governing importation, appears to have been devised by the landed body, in an eager desire to protect their own interests. Protection, however, is not best secured by cumbersome machinery; and I am obliged to confess, that I consider this regulation as quite unnecessary, if not decidedly pernicious. The delay leads to an accumulation, by which large supplies are eventually poured in all at once; and besides, it compromises the interests of the consumer, in not immediately checking the tendency to dearness—a measure certainly called for without delay, when prices rise above that rate which the agriculturists themselves acknowledge to be a fair remunerating return.

Having thus shown that no serious evils are to be apprehended in a season of scarcity, and having formerly exposed the delusion relative to the alleged mischief of abundance, I have some expectation that the expediency of this plan will be apparent. It will be observed, that I have argued throughout on a hypothetical case. This may possibly be objected against, on the plea, that for some years past the state of things in England has approximated to the regulations I have advocated. In reply, I have decidedly to protest against the introduction of adventitious circumstances to controvert the doctrine I have supported. The very high prices in 1818, and the very low ones in 1822, should, as before remarked, be rejected as evidence in any degree condemnatory of an exclusive system. The reasons assigned are surely conclusive enough: first, the unsettled state of the currency; secondly, the uncertain conduct of the legislature. Let those two great points be distinctly, permanently, and judiciously settled, and, dangerous as it is for an author to stake his credit on a prophecy, I still confidently put forth my opinion, that the agriculturist need not again dread any violent revolution in prices.

Our attention has been hitherto exclusively directed to the general question; but there is a minor point,—that concerning importations from British America, which it would be improper to leave unnoticed.

There seemed a disposition occasionally evinced, in the recent discussions of the present subject, to overrate the extent of supply which we might reasonably calculate on receiving from this quarter. The result of every inquiry I have made, induces the belief, that from 65 to 70 thousand quarters would be the utmost of our annual importations. Such an amount is most trifling to the British agriculturist, but to the Canadian settler it may be very important. In determining, therefore, the mode of its admission, a fixed duty seems in this instance preferable. The distance is so great, that an adequate opportunity is not given to judge of the probability of our ports being open within a definite time, or to allow calculations to be made with the same accuracy as in the neighbouring states of Europe. Besides, neither the cost of cultivation, nor the expense of transporting produce to the place of shipment, can be materially lowered in Canada; and when the estimated extent of export is in some degree definite, the agriculturists, and all in England that are interested, know pretty accurately what they have to expect.

It may also be remarked, that Canada, as being a portion of our own empire, requires very different regulations from those applicable to foreign countries. In fixing an undeviating and permanent rate of duty, there being two parties to consult, the British and the Canadian agriculturists, justice alone should be the guide. So far as taxation

operates, so far as tithes, poor's-rates, and other charges which bear upon the land in England only, enhance the cost of production, in the same proportion should the duty on Canadian corn be fixed. This mode seems sufficiently clear, and it is one with which no party can be dissatisfied. The Canadian, fortunate in his exemption from taxes, could assuredly not complain that a small impost was levied on his produce, when admitted into the parent state to which he is indebted for protection! On the other hand, the British agriculturist (if we may, without an absurdity, suppose him affected at all) could not reasonably demur at the prospect of a gradual extension of imports; for it may be whispered to him, that population in this country is regularly increasing, and that it is better to look to a province of our own as a source from whence to make up our supply, than to depend on foreign nations. The freight has been estimated at 12*s.* a quarter; and if an equitable duty (say 6*s.*) be added, the price must approach to that, presumed to be a remunerating one in England—at least no very extravagant profit can be derived by the importer.

The reader is now in possession of those leading points deemed essential to a thorough understanding of this all-momentous question; some subordinate details, however, which the intelligent inquirer will easily fill up, have been intentionally passed over, from an unwillingness to occupy space

with matter easily procurable, or to divert attention from the broad merits of the argument. In speaking of duties or prices, I have adverted, for the sake of perspicuity, to wheat alone; it is unnecessary to add, that in adjusting the scale, other descriptions of grain are to be estimated in proportion to their value. All live stock, too, and every species of agricultural produce, has been presumed to have its value determined by the price of corn. Such is the general calculation of farmers. When grain is abundant, there is a much greater quantity appropriated to feed the various kinds of animals; and thus the supply, either in their number or condition, is so increased, as sensibly to lower the price of meat. Thus, though the effects of abundance are not so instantaneous here as on the price of corn itself, yet the relation between the two is apparent, and it is, therefore, needless to separate them.

Such parts in the machinery of the present system as relate to the mode of striking the averages, which have attracted so much animadversion, insidiously contrived to prejudice the community in regard to leading principles, are certainly capable of being much improved, but these it was not thought necessary to notice. The object is simply to ascertain the price of corn in the country, and it would savour little of the high-sounding omnipotence of Parliament if it could not satisfactorily accomplish what is done by every semi-barbarous

government. Mal-practices in rendering the returns do certainly exist, and, perhaps, were all the particulars laid open, the present direction of popular clamour would be greatly diverted.

The anti-agricultural party are prompt on all occasions to enlist the feelings on their side; but it is more than probable that the feelings are open to the most forcible appeal from ourselves; however, as we commenced, so let us end.

It may be again repeated, that when conflicting interests are arrayed against each other, justice alone should be their arbiter. Yet I do not hesitate to assert, that if a doubt remain, the agriculturists are decidedly entitled to the benefit of that doubt. Whatever may be advanced by rash theorists, however greedy money-brokers may calumniate, they who furnish for us the support of life are the most important, as well as the most estimable, portion of the community. Who is there who stretches his eye across the cheerful fields of this proud island, clothed in the livery of the highest cultivation, that does not feel a thousand pleasing associations rapidly crowding on his memory, and justifying a predilection for that class by whose labour the fair picture has obtained its beauty? What man who contemplates the rustic habitation peeping from amid the shelter of our fragrant hedge-rows, and blending in chaste simplicity with the ripening fields from whence our sustenance is drawn, could extend his sacrilegious

hand to lay it in ruins, and to drive its peaceful inmates to pine in the profligate purlieus of a manufacturing city?

Should, in an evil hour, the mandate issue; should the clamorous outcry of infatuation prevail; should the more than tenfold blindness of legislation disregard the danger of reckless innovation—the perpetrators of the deed may boast the unenviable distinction of having commenced the ruin of the fairest monument of order, stability, and social happiness, which has ever yet been reared among nations.

Section. III.

COLONIES.

Among all the effects attendant on the mighty revolutions we have just witnessed in South America, none is more momentous than the change in public opinion regarding the general advantage accruing to an European state from maintaining distant possessions.

A country, admirably situated to extend the bounds of civilization; long celebrated for her achievements in arms; once exercising sway over the councils of nations; possessing a fertile soil, commodious harbours, magnificent cities; the absolute mistress of distant regions yielding all the varied riches of the vegetable as well as mineral world, and vying with each other for the distinction of pouring those riches into her lap with the most lavish abundance—the spectacle of such a country falling with ignominy from her high estate, and bowing her head to the unresented scorn and insult of her neighbours and her late dependents, forces home upon the mind a fearful proof of the instability and ultimate decline of nations.

But this is not the only picture presented to us by the great incident alluded to. It stands accompanied by another of not inferior interest; and this

exhibits vast regions hitherto unnoted on the map, and whose very names were almost unknown in the common intercourse of life, starting at once into vigour, energy, and power; standing forth as active competitors in commerce; offering a boundless field for the industry of every nation; and, more than all, rearing their constitutions on the basis of civil liberty and general good.

Examples such as these irresistibly engage the attention, and cause the ingenuous observer to doubt the wisdom of a policy which, in seeking to engross exclusive possessions, seems to oppress and paralyze the rising energies of man.

It is impossible to suppress these reflections. Spain and England, but a little time ago, were alike distinguished for the value of their colonies. Dire calamity has overtaken the one; and it behoves the other, while yet in the fulness of her prosperity and power, to pause on the awful example before her, and so to shape her course, that if she, in turn, have to surrender her extraneous dominion, her prescient wisdom may stand unimpeached, her national honour unsullied.

The opinion is gaining ground throughout all classes, that the mother-country derives as much benefit from the settlements she has peopled, after they have renounced her authority, as during the plenitude of her control. The aspiring offspring, confiding in its own resources, and buoyed by the ardour and the energy of youth, advances more rapidly

towards prosperity than when restrained by the trammels of distant rule. The astonishing advancement of the United States, once glanced over as a "small seminal spot" in the political horizon, but now standing forth a mighty nation, whose alliance is courted by the loftiest potentates, illustrates most forcibly this argument. Our commerce with those states far exceeds the wildest dreams of former calculators on colonial trade. It is therefore asserted, that if independence thus arouses a full and more splendid developement of its faculties in the offspring, it is not less advantageous to the parent, the ties of kindred and of a common language still exercising beneficial influence and perpetuating mutual intercourse. Associated with this reasoning, the mournful fate of Spain is presented to our view. "What advantage," it is triumphantly demanded, "has that country ever derived from her colonies? Was it in exciting a feverish desire to emigrate? Was it in banishing moderate ideas as to profit, and teaching men to scorn the salutary rewards of homely industry? Are these the estimable fruits of prosperous enterprise, tending to diffuse those arts which embellish and elevate society?" An appeal thus supported has caused not a few to recant their conviction of colonial advantages.

Among the higher political circles of the country especially, these views of the subject have exercised no inconsiderable influence. Reflecting that the theatre of these great changes is close to our most

valuable possessions, and that their products bear an affinity to the products of the revolutionised states, they who constitute those circles seem either to despair of our ability to avoid a similar consummation, or deem it the soundest policy to meet it by a gradual abandonment of the entire system.

It is conceived that it becomes England, occupying her present lofty elevation, to extend the boundaries of international independence. Her high character for justice, her professions of unqualified philanthropy, standing boldly forward, at once the guardian of liberty and the uncompromising foe of despotism,—all prompt her to spurn selfish advantage, and to hold up to the world's imitation a pattern of disinterested generosity. Seated, too, on the verge of the Atlantic, she seems peculiarly fitted by her station to become a storehouse for the wisdom and the attainments, venerable and venerated, of the old world, from whence she may dispense them, digested and amended, to enlighten the western hemisphere, and save it the wearisome toil of groping its own way to truth and happiness. For benefits such as these, what may she not expect? Gratitude will exercise its benignest influence, and a perpetual sceptre be given to England. But it will be a sceptre governing the mind—gentle, yet bending willing spirits to its way—durable as adamant, and far more powerful than the rude instrument of force employed to compel political subjection.

At the same time, she will have nothing to apprehend as to the precariousness of supplying her people with those foreign products which their wants require. Similarity of soil and of climate will enable independent states to supply the loss of colonies; and under reciprocal benefits, founded on equality of commerce, wherever industry flourishes, a thousand marts will readily open to administer to its commands.

Considerations thus tending to obscure present advantage, and to remove future alarm, have largely sapped the foundation of our colonial system. I have endeavoured to delineate grand and prominent outlines, both to do full justice to adverse argument, and to induce that extension of thought which can alone compass this great question. Firmly believing that a portentous delusion exists, and that the doctrine of Free Trade is infinitely more pernicious in its application to our colonies, than to any other branch of our commercial policy, I disdain to take undue advantage, or to suppress any one particular, tending to seduce the feelings to an opposite opinion.

I shall consider the leading characteristics in due order, submitting the merits of the discussion to be fairly canvassed, and omitting no topic that at all appears to offer grounds of dissension.

Commencing, then, with the Spanish colonies, why, I demand, is their fate to be incessantly exhibited in ominous array as a warning to Great Britain? Let us refer to the organization and the government of

the Spanish provinces, and see if no original evil manifests itself—no latent seeds of dissension, gradually undermining the authority of the parent state? Whatever time we may devote to a review of the various causes which tended to a final separation, one unvarying solution presents itself—MISGOVERNMENT. That prompt attention to the claims of the colonists for redress of grievances; that fostering care which spontaneously anticipated their wants, and thus by indicating regard on the one hand, awakened grateful attachment on the other, were never displayed. Besides, in the institutions of the parent state there was nothing to admire. The Spaniards who emigrated left a land for which they little cared, probably disgusted with some of its vices, and utterly indifferent to that regular and resuscitating intercourse which could alone preserve a filial attachment. In every point of view, therefore, the case of England is widely dissimilar; and so far from rejecting the warning held out, I pronounce it entitled to deep meditation. But it is the warning to avoid similar errors, and not to consider them as inherent in the system; for it is surely too much to assume that infatuated misrule should characterize the conduct of the British government, or injustice stain her councils. Had Spain possessed an enlightened administration; if, in place of sluggish apathy, bigoted superstition, and degrading tyranny, her policy had been to disseminate active industry throughout her population, inciting to energetic

enterprise; establishing useful manufactures; and encouraging every undertaking to draw home the accumulated advantages of her magnificent settlements, is it to be supposed that she would now feel destitute or defenceless, sinking into despair; or can it be presumed that, properly governed, the South American provinces would have taken up arms to assert their independence? Far from dreading the growing resources of her distant possessions, the parent state should rather rejoice at the increased opportunity afforded to promote her own prosperity. Yet there is one admonitary precept which should be more attentively regarded: inflexibly to cherish those immutable and eternal rights of justice, without respect to which no attachment can subsist—without which neither government abroad nor government at home can feel secure.

From this reflection, the transition to the instance of the United States of America is easy. The great tranquillizer of precipitation and of ill-directed passion, Time, has fairly decided, that the event of American dismemberment is a dark stain on the British annals. Without now awakening unpleasant associations, let us at once attend to the argument employed as condemnatory of the colonial system. In the case of America we derive, it is said, more advantage from her intercourse in a state of independence, than whilst she acknowledged our dominion. And can sober

men have gravely urged this fact, not so much in the nature of consolation under defeat, as of a well-matured maxim for future guidance! When, in the last war, we had all Europe for an enemy, was it no evil to find, at a most critical juncture, another foe arrayed against us, dividing our forces and calling off our attention to a distant quarter? Statesmen of every party deplored the commencement of the last hostilities with America as signally unfortunate, whilst many feared for the issue. It would be altogether puerile to expatiate on the difference as to the national good, between the prompt services of a devoted ally, and the hostile measures of a determined enemy. Even at the present hour, when our recognition of South American independence is contemplated as likely to provoke hostility on the part of the Holy Alliance, no inconsiderable importance is attached to our connexion with the United States, and we are told that, with them for an ally, we might bid defiance to the world. But it is said that this applies only to a period of war, not to that natural state of things which should contemplate peace and harmony among nations. Viewing the question, then, in this light, would it be no advantage to have free admission for our manufactures, unsubjected to capricious or arbitrary duties? Though we have now a larger vent for our products, we know not how long it may continue; and is there no distinction between possessing in ourselves the right of regulating such

commercial arrangements; and the necessity for submitting them to the will of others? Colonial monopoly in commerce is either beneficial, or it is not. If the former, it is obvious that loss of colonial dominion abridges that benefit. If it be not beneficial, it is equally plain that we have it in our own option to abandon it, and still, in points unconnected with trade, preserve the advantageous relation. It is, however, affirmed, that independent states flourish more than colonies. Why should they do so? It is no necessary consequence. The fact only argues impolitic regulations or misgovernment. Does Canada advance less rapidly than the Union? Did its population feel cramped in their energies, and less disposed to avail themselves of the natural capabilities of their country, than those settled in the more genial climate of the Republic? Judging from its increased population and rapidly extending traffic with Great Britain, I should rather pronounce this flourishing British province as foremost in the career of industry and improvement. And do the Canadians feel discontented with their lot, and desirous to renounce the sway of the mother-country? Far, very far, is such a sentiment from their thoughts. A full conviction is felt of mutual benefit; and let but the judicious measures of England continue, in regard to this province, which may boast the solitary distinction of being the only colony the world has ever yet seen properly governed, and generation shall succeed to

generation, almost indefinitely, before a feeling will display itself incompatible with allegiance to its protecting parent.

Viewing, therefore, every consideration with regard to maintenance of possession, there is nothing in the past to furnish solid grounds for mistrusting the expediency of the colonial system.

Let us now look to the future.

Similarity of climate and of production, it is considered, will lead the South American states to cultivate the same products as those of the British colonies; and reciprocity of commerce being established, will give equal, if not increased, benefit to England, and should urge her, on the grounds of liberality and international freedom, to banish from her councils antiquated notions of policy, and accommodate her conduct to the enlightened spirit of the age.

First, then, as to the diffusing of this ameliorating spirit. Do the advocates and admirers of civil liberty, who wish to see it flourish far and widely, think that contiguity to the offspring of an old monarchy, long established as the chosen abode of order and of social rights, operates not as an inspiring example in the new republics to cultivate judicious institutions, and to dissipate the effervescing libertinism of newly-acquired freedom? He who imagines that a democratic form of government universally pervading the American continent, is unsusceptible of improvement by an auspicious inter-

mixture of monarchical settlements, when possessed of constitutional rights inviolably respected, has much further progress yet to make in his knowledge of the human character. The stern spirit of the republican is softened by the contemplation of generous loyalty; selfishness sinks before a sense of honour; many deep-rooted vices are eradicated; and the contact with opposing sentiments tends to weaken prejudice, and to advance the general interests of humanity.

Such is the exalted benefit which, for ages yet to come, the British colonies may render to America: healthy scions of the venerable oak, rearing its head in majesty and vigour, after weathering many a storm, may give the example of checking a too luxuriant growth, whilst extending widely and beneficially, the admiration of the world.

There is little fear that these reflections are disregarded by the minister who directs our foreign policy. He, the exalted tone of whose mind is some preservative against the pernicious influence of sordid cupidity, displaying itself with such infatuated pertinacity all around us, will justly appreciate the flourishing condition of the British provinces abroad. When he recalls the elevated delineations of civil liberty which he has himself so felicitously drawn at different periods of his brilliant career, he must repel with scorn the attempt to identify with them the spurious pretensions to liberality, now so insidiously propagated. Neither are the arguments urged against the maintenance of our

colonial establishments, free from objection. The example of our several colonial governors supporting viceregal state, and exhibiting, in their own persons, the reward awaiting those distinguished servants of the country who have bled in her defence, inspires every inhabitant of a newly-settled state with deference and respect; and however ignorance may condemn, or faction may asperse, even the turbulent democrat is secretly constrained to elevate his ideas to a higher standard of duty; to mark the course by which distinction is attained; and, in renouncing mean and unworthy principles, to substitute for rudeness and presumption the attributes of courtesy and refinement.

These reflections have been indulged to combat the sentiment, that genuine unsophisticated liberality would be best displayed in transferring our intercourse from our own colonies to the new American republics, even viewing the question on these exclusive grounds. It is an auspicious circumstance, when national advantage is found to be not at variance with general good. The envy of other nations is apt to vent itself in imputations of selfishness on the part of England. Yet it may safely be affirmed, that even in the cases adduced to exemplify this charge, applause, and not censure, is her strict desert.

But, after all, what new code of national law has been adopted? Even supposing the advantage of the British nation solely consulted in every commercial regulation, what liberalist would presume to

question its propriety? To the British statesman one clear and obvious course lies open: to regard his country as his only care, and unceasingly and undividedly to seek every legitimate means to promote her welfare. It was not by the precious jargon of so-called modern philanthropy that we attained our power; nor will it furnish us the means of its preservation. Even if it displease other nations, it should still be zealously upheld; but, fortunately, it does not aggrieve them; it goes hand in hand with humanity; and we are chargeable with no exaggeration when we assert, that the prosperity of England promotes the prosperity of mankind. We may well demand, why did she step boldly forward to dissolve the bonds of the Holy Alliance, and proclaim the imprescribable rights of the representative system of government? Why, to this hour, among her people, do momentous changes in the most overgrown power in Europe, barely excite common curiosity? Ominous and portentous as they are to her neighbours, perhaps the movements of the Tartar despot no more disturb the routine of the Englishman's pursuits, than do the squabbles of some petty chieftain in the heart of Africa. It is the consciousness of perfect security—the conviction, that to the immediate instruments of his power we may bid defiance, and that we have safe within ourselves the keeping of all that is requisite for national grandeur.

Let such resources, then, be fairly examined and unfolded. Our colonies stand out the most con-

spicuous in the number; and we not only inspire confidence in our stability, but dispel every doubt as to its continuance, if it can be shown that the colonial system perpetuates to England the main portion of that commerce to which avowedly she owes her greatness.

After these general remarks, which regard the principle of the system to the world at large, we shall not be encumbered with any of those appeals, which draw off the attention from argument, and lead the mind precipitately to a negative conclusion, occasioned by viewing the magnitude of recent occurrences in America, from which is augured the destruction of all transatlantic dominion. The various relations of these occurrences have been explained; and having shown that they do not substantially affect the colonial system of Great Britain, the object now before us is, to point out the real extent of the advantages accruing to the nation from colonial trade.

There are few questions in politics so decisive, and apparent in their results, as to preclude discussion. In this field for contention it is a proof of importance to find dissension; because amid numberless interests and relations, many conclusions are more palpable than others, and accordingly as the mind fails in the requisite degree of comprehensiveness to embrace the whole, so may detached deductions lead the inquirer to pronounce dogmatically on what he conceives to be the entire result, while, in reality, he has regarded but a part; and we may

thus safely assent to the correctness of his individual propositions, at the same time that we dispute his conclusions.

This observation applies pre-eminently to the colonial question. Far from presenting that unity and simplicity of argument, supposed by most modern writers to belong to it, it is in fact one of the most complex and intricate discussions in political economy. There are few sections in this work in which the reasoning will not be adduced, to elucidate some particulars; not that any repetition will be resorted to, or required, but merely to point out connexion; a mode of proceeding which will greatly facilitate and strengthen the inquiry, and which, it is conceived, the arrangement pursued will render consecutive and convincing.

Little observation is required to decide that some colonies must be much more advantageous to us than others; and that there may, consequently, belong to the former, attributes which the latter do not possess. With a view, therefore, to afford as enlarged an insight as possible, those which possess all the attributes distinguishing the colonial system shall be selected; and as our West India settlements come under this denomination, the reasoning shall be applied to them. Besides the consideration here specified, there are other reasons why we should select the West Indies. First, their vicinity to the Spanish republics, the great changes in which have chiefly contributed to produce in the high political circles, an anti-colonial feeling. Secondly, because

political writers of adverse principles to those avowed in this work, generally single out those possessions as the object of their comments. And thirdly, because, in point of fact, they are by far the most valuable of the whole, the amount of property invested by British subjects exceeding 150 millions sterling.

Commerce being on all sides upheld as the means by which a state of small territorial extent can acquire pre-eminence, it seems at the very outset to be of paramount importance to establish it on a secure and permanent basis.

In the Seventh Section of Part II, the principles which govern the extent of foreign commerce were explained. It was shown that there was a direct and permanent description of commerce, consisting of those products of distant climates unproducible at home, which ministered to the wants of our population; and that there was another description, auxiliary and fortuitous, which consisted in the importing of goods from a distance of some thousands of miles, and then exporting those goods in a manufactured state to the same place probably from whence they came. It appeared to be deducible from the reasoning employed, that the latter was anomalous and precarious, and owed its existence entirely to the first,—it therefore followed, if this principal and legitimate branch of trade suffered a diminution, the other must necessarily decline with it. The application to the colonies is obvious. They furnish, under our own

control, that beneficial commerce which it behoves us so decidedly to foster and preserve; and which, if injured or curtailed, will involve collateral branches in its fall.

It is not necessary, agreeably to our plan, to enlarge the argument. In the Section referred to, the subject has been illustrated on positions previously developed, and we now pursue the task a step farther, and point out the practical relation to the colonial system. The question resolves itself simply into this: Is it best to have trade certain or precarious? The opposite party maintains that we are always sure of having foreign products in exchange for our manufactures. I cannot admit it. Has the world ever yet seen an instance of free reciprocal traffic established between two independent states? And is it not surprising, that while, in discussing the point, speculative writers are proceeding on theoretical grounds, they think not of turning to examine contemporaneous incidents to substantiate their positions. In the very face of the enlightened views of modern times, has not the government of the United States but recently avowed an opposite policy. The statement of Mr. Rush, their treasury-secretary, as lately published in the daily prints, is decisive on this head. Restrictions are constantly heaping upon British manufactures to encourage their own domestic fabrics; and it requires very little foresight to perceive, that at a period far from remote, that

great market for British industry must be lamentably circumscribed. This policy may be right, or it may be wrong, but what peculiarly demands attention is, if it be wrong, our incapability to remedy it; and it shows us, that though reciprocity of interests may be a very plausible theme to declaim upon, it forms but a rotten dependence to those who confide in the good dispositions of a rival nation. Suppose we relied on Columbia to receive our woollens in exchange for sugar, in the same manner as we now traffic for tobacco with the United States; what is to prevent this new republic from levying 25 or 50 per cent. duty at their pleasure on our woollens? And I put it to plain common sense to decide which is preferable, to exchange our woollens, untaxed, for sugar, wholly within ourselves, or to subject them to such imposts by a foreign power as may ultimately destroy the trade. These views, be it remembered, apply to a period of peace, when reciprocity of commerce diffuses its most lavish benefits; but it is to be feared that a state of war will still recur, and it is superfluous to add, that the gross impolicy of the change will then be more conspicuous.

The next advantage of the colonial system is the augmentation of the rate of profit in the mother-country. In the Second Section of Part II., it was shown, that as a country progresses gradually to a high state of civilization, the profits of stock, from the increasing competition of capitalists, gra-

dually decline. When the field at home is fully occupied, there exists a difficulty to make advantageous investments, and this difficulty cramps the further advancement of industry. But when a large colony is founded, a resuscitating channel is opened, and a general incitement to enterprise is rapidly diffused. It is this which has prevented profits from falling to a very low rate in England; or, to speak more correctly, which has operated so beneficially as to raise them higher now than they were a century before. During the period from the accession of George II. in 1727, to 1739, the rate of interest was not more than 3 per cent. The public securities, which had been reduced from 5 to 4 per cent., rose considerably after the reduction, and the 3 per cents. were, indeed, at one time as high as 107. In 1750, the 4 per cents. were further reduced to $3\frac{1}{2}$ per cent., for a period of seven years; and after that they were reduced for a permanency to 3 per cent.

The rate of interest, as indicated by the sum paid for capital lent on good security, it is generally admitted, depends almost exclusively on the existing rate of profit, falling as it falls, and rising as it rises. It is, therefore, evident that the rate of profit during the period of peace, in the middle of last century, was very low, and unfavourable to general enterprise. All the channels of trade were amply, if not superabundantly supplied; and as every nation is doomed to have this competition

increased, there was reason to fear that much capital might have left the country to enrich other nations by its more profitable employment. But, about the period of this juncture, the colonies began to rise into importance. The abundance of fertile land possessed by them, and the increasing disposition throughout Europe to consume tropical products, rendered colonial cultivation exceedingly lucrative. The capital requisite for settling and clearing the land, was invariably supplied from the mother-country; extensive works were, at a great outlay, erected to facilitate and abridge labour; large and flourishing towns were established; ships had to be built, both to transport supplies to the plantations, and to bring home their produce; appropriate buildings and accommodations were required in the parent state, for transacting this additional branch of trade; and, throughout the whole of these combined operations, a vast and most beneficial outlet was presented to the capitalist for investments. Had the rate of profit previously been high in the country; that is, had there been rather a scarcity of funds for home production, then might some of the reasoning of Adam Smith have been applicable, as to the injurious effect of withdrawing funds to a distant part, when such funds would be more beneficially employed in the mother-country, in consequence of putting in motion a greater portion of domestic industry; but when the rate of industry unanswerably demonstrates that there was no want

of funds for domestic production, but that the very reverse prevailed, it is surely evident, at a glance, that the colonies prodigiously promoted the mercantile interests in opening a source of profit otherwise unprocurable. To the present hour this advantage is operating. If I have succeeded in elucidating the principle of profit in the section already referred to, and on the accuracy of which depends the whole of the reasoning on this head, it appears convincing, that, after a nation attains to a certain length in commerce, her difficulty consists, not in procuring capital for employment, but employment for capital. Whatever statements may frequently appear as to the amount of funds leaving the country to invigorate others, it is well known in the commercial world, that merchants are highly averse to vest their capital in foreign commercial undertakings, the accidental vicissitudes of which are out of the control of their own personal authority. The risk of a total loss in war, or the difficulty and uncertainty of recovering debts in a foreign court of law, deter them from such speculations. Such loans, therefore, as leave the country, are generally made to the respective governments, and are not those beneficial aids to individuals for the purposes of production, through which both parties expect to derive profit, cementing the relation between borrower and lender. On these grounds we may decisively infer, that when a nation is possessed of extensive colonies, capable of beneficially absorbing

a large amount of capital, if she allow the rate of profit to fall injuriously low, tending to remove to foreign states funds devoted to the support of industry, the fault is her own; it is the neglecting to avail herself of her colonial resources, or the diverting or destroying their capabilities by misgovernment. No anxiety need prevail as to the profit of the investment, nor any fastidious alarm be manifested by government lest its subjects should be guilty of either rashness or indiscretion. A capitalist who has 20,000*l.* to lend, neither adopts the sentiments of a minister of state, nor the lucubrations of a theorist, as the guide for his conduct. He judges from what has come under his personal observation; he goes, for instance, upon 'Change, in London, in Liverpool, in Glasgow, in Bristol; looks around, and contrasts with other branches of business the splendid success of merchants engaged in the colonial trade; he reflects on the commencement and the gradual progress of such a career, and thus shapes his conduct to what he conceives the most profitable mode of investing his money.

It would be an invidious task, yet, nevertheless, an useful one, to pursue this practical test of colonial advantages home, by comparing the great West India establishments with the aggregate of those engaged in other branches of trade, to ascertain their relative superiority. I believe that he who is conversant in business in any of the four great marts I have

specified, would smile at the bare attempt to underrate the emoluments flowing from colonial trade.

The third great advantage of the colonial system consists in its furnishing a vent for our manufactures. The modern economists have attempted to ridicule this consideration, by maintaining that whatever tropical produce we require, must be paid for by our manufactures, and that it, consequently, matters not whether we procure it from the eastern or the western hemisphere, from our own settlements, or from strangers. I am compelled to retort upon this sect their own charge of superficiality. It never was contended by intelligent colonial writers, that an additional vent was here furnished to the *whole* amount of the manufactures exported to the colonies; but it was asserted, and is maintained, that a *greater quantity* is consumed by them, from the circumstance of their population following British customs and manners, from the facility of intercourse through identity of language, and from that innate predilection which men retain for the country of their birth, prompting them to conform to all its variations of fashion, and to adhere with affectionate pertinacity to its minutest usages.

In the section in the Second Part, on foreign trade, it was shown, that a proportion must exist in the equivalents given by any two countries carrying on traffic. A due attention to the whole of the relations there detailed will make it apparent that more trade

must be carried on with British colonies than with foreign countries yielding the same products; chiefly from the equivalents more nearly assimilating; and which circumstance is occasioned by the wants of the British colonies being more extensive and graduated to the scale of the mother-country. It is perfectly true, that there is not the minutest article of dress or of furniture—to express the idea at once, with the emphasis of Lord Chatham, "there is not a *nail* used in the colonies, which is not manufactured in Britain." It is not less true that much of the immense impulse thus given to domestic industry must cease, without the exclusive support of the colonial system. Our principal articles of manufacture, such as cottons and woollens, would continue to be exported, as before observed; but minor articles, individually trivial, but important in the aggregate, would be superseded in the interchange, and the undoubted result would be a diminution of our commerce. The doctrine of equivalents, indeed, is the most intricate, the most important, and yet the least attended to, in the whole theory of foreign trade. It would be easy to enlarge upon its operation, and to point out how many extensive employments must be instantaneously destroyed in this country, on the loss of the West Indies; and further, to refute the position, that if such employments were destroyed, and if we imported our coffee and our sugar from the Brazils or the East Indies, instead of the West, other branches of industry in this

country must be correspondently increased, to preserve the balance of payment.

Decrease of consumption, on the part of those thrown out of employment, and deprived of subsistence, would be the true mode of balancing the external transactions of the country. Cottons, woollens, or such leading articles, the export of which is supposed to become increased, must, to pay for all the tropical produce we require, reach an amount, in quantity far beyond the wants of the people, from whom that produce is procured; and if we grant the customs of foreign countries to be essentially different from those of England, and conclude that those countries would not wish to be dependent upon strangers for every minute manufacture they stood in need of, it is quite apparent that a great derangement of equivalents must succeed. To remedy this obstacle; it would be indispensable that those foreign nations should be greatly enriched. What would be the consequence? If we import cotton from India, and send it back manufactured into goods, does any reasonable person imagine, that if India possessed capital, and those characteristics for commerce contemplated under the reciprocity system, we could hope to continue that forced and artificial traffic—importing the produce of her own soil, and after defraying the cost of transportation, sending it to her again for sale after a lapse of two or three years? Yet to this result are the opponents of the colonial system reduced, even supposing our goods to be free from duty on

their importation abroad. But under the first head of this examination it was shown, that our leading articles, exported in payment of such commodities as, on the abandonment of the colonial system, we should be compelled to receive from foreigners, might be capriciously subjected to a duty. Thus, then, it appears, that consequent on the change, there is not only diminution of our commerce, but that much of what remains is rendered precarious. Commercial monopoly sounds invidiously; but when it collects and concentrates into one focus the many scattered rays which constitute commercial glory, it is of far greater value to the nation distinguished by its possession, than the transient praise of generosity, which may possibly be accorded to her for the surrender of a superiority so inestimable.

The fourth distinguishing characteristic of the colonial system consists in the advantages of emigration, and the consequent *increase* of population among the middle classes, the most valuable portion of the community. Long before the principles of population were properly understood, the state of many Spanish provinces had led to inquiries into the effects of emigration, and given rise to opinions at variance with those previously received. It was ascertained, that those provinces which had contributed most largely to people the Spanish possessions in South America, proved afterwards to be still the most populous districts in Spain. When an opportunity is afforded to provide for the different branches

of a family, it removes the principal anxiety from the minds of parents, and sufficiently explains how it is that in prosperous times population increases rapidly. Whatever dread may be apprehended of the lower orders outrunning the means of support, the very reverse must apply to the increase of those who supply means for employing those orders. Colonies effectually contribute to this end. An opening is afforded to enterprising branches of families to push their fortunes abroad, and thus the burden of providing for them no longer obstructs the advancement and the increase of the better classes. On reference to some of the recently-published memoirs, illustrative of the manners of society a few generations past, as contrasted with the present, we cannot fail to be forcibly struck with the want of employment, the pernicious idleness, the species of genteel beggary, which characterized the younger branches, not only of many respectable but of many noble families. No suitable means of subsistence were opened to them, and the state of society in those classes which should give the tone to industry, resembled what we now witness in many parts of Germany, where there is no colonial outlet. A supineness, associated with feelings of stubborn pride, hating industry, yet envying its fruits, and pining under the contemptible expedients continually employed to disguise their real and humiliating poverty. Men will do abroad what they will refuse to do at home. Under the observation of their com-

panions they will scorn many industrious avocations, which, in a strange land, they will voluntarily and cheerfully embrace. Thus, in our colonies, are often seen individuals actively engaged in the business of production, who, had they remained at home, must have been, in all likelihood, a burden to their families. In the face of this example, who will venture to deny the moral and the political benefit of those possessions? Independence is the most estimable boon for which men can exert themselves: to administer to its attainment, is to supply the wholesome nutriment which sustains our best faculties, and cements the social union.

The association of a common language, together with the continued protection of their native country, added to the consciousness of security to their earnings, will always lead persons to emigrate to settlements peopled by their countrymen, in preference to foreign lands. So long as this resource is open, we have an effectual barrier against retrogression of rank in the respectable but not opulent classes of the community. Who that has ever visited the West Indies has failed to remark with satisfaction the flush of honest exertion suffusing the countenances of the young men around him; and who would not regret a change that should return them to discontented idleness at home? Let not, however, an idea prevail, that the benefit of this emigration stops here. What is just described exhibits the first stage.

We come now to the second, and to consider that part of the advantages of the system, which is generally suppressed by the anti-colonial party, but which constitutes its most important feature.

The return of those emigrants who have prospered, and who bring all their wealth along with them, to settle in the parent state, is peculiar to the West India colonies. It is allowed on all sides, that when two countries carry on trade with each other, they are supposed to derive equal benefit. Let us, then, conceive the colonies to be for a given period in the situation of one of these countries. In consequence of the beneficial trade so carried on, they must have amassed considerable wealth: now, if all this wealth be transferred to the mother-country, will any person venture to dispute the position, that a traffic with any foreign independent state could not have produced the mother-country this advantage? In reality, it is erroneous to say that, viewing ultimate effects, we *purchase* our sugar and rum with manufactures; the sugar and rum form part of the national income; and it would be as correct to pronounce that the Welsh landlord residing in London is unserviceable to the state, as to pass similar judgment on the Jamaica planter.

The decisive argument here used to establish the fact of colonial advantage to the country at large, has excited much cavil, and, as a despairing resource, the anti-colonial party have pronounced that the trade is unprofitable, and that no money comes

home! The pretext for this assertion rests on the frequent changes and transfers of property witnessed in the West Indies. It is affirmed, that sugar-planting is most unprofitable, that few proprietors keep possession of their estates for twenty years together, and, generally speaking, they live upon the silly credulity of capitalists in England, who are weak enough to lend them money: national industry is thus impeded by the removal of funds from the country, which should be devoted to the encouragement of domestic industry. By pointing out the extent of trade which the colonies give this country, we shall be enabled more satisfactorily to estimate the correctness of this reasoning:

The total amount of Imports from the West India Colonies, according to official documents, taking the average of a series of years, is	£8,200,000
The return of Exports does not exhibit the actual consumption in the Colonies, as considerable shipments are made to the Columbian Republics and the Continent of America generally. A short time since, government instructed the naval officers in the respective colonies to transmit to our Custom-House returns of these exports. The documents have not yet been printed, but their details have been obligingly communicated to me, and from them it may be computed that the actual consumption of British manufactures in the colonies amounts to	3,600,000
There is thus a balance of annually flowing to this country.	£4,600,000

When, however, we are told that this is delusive,

and that the balance is only in payment of loans of a former period, it is essential to discover in what shape those loans went out. The process is very simple. The colonial trade we have hitherto had entirely to ourselves. There are neither foreign exchanges, nor the intervention of dealings with other countries, to perplex the inquiry. Since, then, no gold or silver, dollars or bullion, go out to the West Indies, all loans made since the Abolition of the Slave Trade must be included in the 3,600,000*l.* of manufactures exported from this country. The profit of the investment is thus exhibited in a still more striking degree.

With regard to that Trade, before its abolition in 1807, the same reasoning applies. There is only to be taken into the account the amount of exports to Africa to purchase the slaves, as well as a return for the capital sunk in the ships employed. This, as given in evidence during the period of the agitation of that question, did not amount to more than a few hundred thousand pounds, to be placed opposite to millions flowing to this country. Let the trade be traced up to its very commencement, and the result will be found uniformly the same—a large excess of produce remitting to the parent state. What then becomes of the assertion, that West India cultivation has been ruinous? If I understand the term here, it implies an outlay exceeding the return. Try the colonies on this ground; compass the question in a national view, and I will

venture to pronounce that the assumptions of those who advocate the Free Trade system will shrink beneath the test.

Of the powerful effect produced on the community in general by West India expenditure, the remarks of a strenuous anti-colonial champion afford us an opportunity of judging. Mr. Stephen, in a recent publication, has observed: "As to the commercial body, a great part of it, in the principal seats of foreign commerce, London, Liverpool, Bristol, and Glasgow, is directly or indirectly chained by private interest to the colonial cause. Thousands who are not themselves engaged in West India trade, are much connected in business with those who are; and derive from them profitable employment, which might be lost if they were to give offence by openly acting with the anti-colonial party, or even by refusing to lend themselves, on certain occasions, to extend the ranks of our opponents."

Mr. Stephen has added many more comments of a similar nature, employed for the ludicrous purpose of exciting the community against the quantity of political power possessed by the West India interests; but, to illustrate his subject, he has so clearly pointed out the extent and variety of employments dependent on the colonies, that no person could hesitate in perceiving that his own statements demonstrate the vast importance of those possessions in the commercial scale.

On this head, as to the general diffusion given in

different departments of production, the task is also abridged in conformity to our plan of consecutive deduction.

In the Sixth Section of Part II. the effects of consumption on the part of the affluent orders upon production were explained; and having given some idea of the amount to which West India circles enter into the question, on reference to the reasoning there pursued the whole train of operation may be ascertained.

In a subsequent Section, likewise, some remarks were made regarding English landlords, and the question of Absenteeism.

A third party is now added, and becomes involved in the discussion: if the general voice pronounce that the gentry of a country living and spending all their incomes abroad is injurious, then the mere allusion is only necessary to show, proceeding on the converse of the proposition, that the residence of rich West India proprietors in England must be beneficial.

The only remaining topic to which it is deemed necessary to advert, is formed of those grand national considerations which relate to our defence, and the support of our political power.

In the Section on Navigation, statements were given at length, showing the important proportion of seamen which were raised exclusively by our colonial system. Conceiving this primary and vital part of the inquiry to have been satisfactorily

illustrated, I abstain from further comment; but as affording some confirmation to my views, I shall quote the words of one, considered both in and out of Parliament, as no mean authority, and whose sentiments in this particular are the more entitled to attention, as he is generally an advocate for freedom of commerce. ....

Mr. Alexander Baring, in his speech of March 16, 1824, on the West India Question, observed: "For himself, he was convinced, that if the colonies should ever become independent, they would, in fact, be in the possession of America, and she would then cease to be the *second* maritime power in the world. If the naval and commercial prosperity of this country depended, as much as he believed it did, on the West India colonies, he thought he was well justified in asking the House to take no proceedings calculated to put them to hazard."

Few, I should think, who are anxious for their country's good, will refuse to subscribe to the accuracy of such an opinion. Our colonies once lost, America would too surely cover the seas with her fleets, and wrest the trident for ever from the hands of Britain.

In viewing, then, the whole combined advantages of the colonial system, the main question presented for decision is simply, Do the colonies constitute an integral portion of our empire? If this be unanimously assented to, and it is impossible to perceive how it can be consistently denied, then, are not the colo-

nial interests entitled to the same protection as those of fellow-subjects at home? The colonies contribute to support the main pillar of our strength, extend our power, and bring within our control the produce of every climate. They should yield to the interests of the mother-country, and the more they are cherished, the more they are likely to further those interests.

If, under a wise commercial system, the mother-country thus avail herself of all the benefits yielded to her by her progeny, she is, in common justice, bound to protect them from the injurious competition of foreigners. The agriculturist claims a protecting duty on corn; the silk-manufacturer a protecting duty on silk, why, then, should the producer of sugar be sacrificed, and, while he is, essentially contributing to the prosperity and safety of the state, be denounced as unworthy of favour or assistance? The difference in duty, at present enjoyed as a protection to the colonial interests, is, for sinister ends, brought forward to excite the community against them; but the community is made up of many interests, claiming correspondent advantages, and it is not difficult to foresee that, if justice be violated in one instance, no security exists for the remainder. There must either be an exclusive commercial system, or unbounded reciprocity of trade. There can be no intermediate course, such as the adoption of restrictions upon particular interests, and their remission upon others. All must be regulated on

one consistent and harmonious line of policy, admitting no dispute either of undue partiality or unmerited harshness. The Free Trade advocates, singling out the colonies as the object of their bitterest animadversions, frequently assert that any protecting duty allowed to them is so much taken out of the pockets of the people. When the silk-manufacturer has a protecting duty of 30 per cent., do we hear any such charge; or when the corn question is agitated, is there not always an acknowledgment that, from existing circumstances in England, some duty should be levied on foreign importations? I have endeavoured to show on what grounds those duties should be granted, and I do now but complete the analysis, by showing the close relation on the same great commercial system with our settlements abroad, and that the colonial planter is circumstanced precisely as the British agriculturist.

It would, perhaps, be improper in this place to omit to advert to the East Indies: these settlements, it is affirmed, being a part of our own empire, are entitled to the same privileges as the West. A little reflection, however, must show that the main plea for protecting duties must solely depend on the degree of advantage yielded to the parent state. If two portions of the empire brought her equal benefits, it might certainly be invidious to make a distinction between them; but so long as one, as far as commerce is concerned, preponderates greatly

over the other, at the same time that the former alone can be considered of secure possession, their claims are no longer equal. Putting, then, the East Indies to this test, we discover that none of the previously enumerated benefits flowing to the mother-country from her West India colonies, are to be found, with the single exception of the commerce not depending for regulation upon a foreign power. But those other more distinguishing attributes, the large investments in productive industry, the vent for manufactures created by the adoption and preservation of British customs, the active and invigorating intercourse, and the return of all those who succeed in business to spend the remainder of their days in their native land, are looked for in vain as distinguishing East India commerce. Cultivation of tropical produce is conducted in the West Indies by Britons—in the East by Hindoos; and if it be proposed to force capital to the latter, to supplant the former, it can be distinctly proved as a necessary effect of that transfer of British wealth, that the Hindoos may be led in other respects to supply themselves with manufactures of their own to the supercession of the British.

There is here no intention to undervalue our Eastern empire. It is merely affirmed, that its commerce, in all its ramifications, is neither so beneficial nor so stable as that of the West Indies; and that where similarity of produce may clash in their respective claims, the latter, being, in all its

relations, essentially British, should obtain the preference. It ought besides to be remarked, that in the one cultivation cannot be changed without subversion, but that a great diversity of cultivation is practicable in the other without difficulty. Weighing, then, this important point, it would surely argue but a weak judgment to propose to destroy the former, when under a proper policy the advantages of both may be preserved. To encourage and protect those products not obtainable from the West Indies, but for the supply of which we still depend upon foreigners, seems the legitimate use of the magnificent, the widely-extended, and the diversified soil of India; and the wisdom of those who preside over that vast empire, as well as of the British legislature, could not be more beneficially exerted than in effecting so desirable an object. Though the fruits of the industry of Englishmen claim more of our protection than that of Hindoos, yet the latter should still have the preference over foreigners. On this account, to have one scale of duties for Britain, and those possessions peopled by, and essentially being, British; another for those possessions not colonised by Britain, but acknowledging her supremacy; and a third for foreigners: being the line of policy avowed by a distinguished minister, appears judicious and satisfactory. Indeed, the unequivocal avowal is viewed by all parties as a guarantee for the investment of property, unliable to capricious alteration.

Confiding in a firm adherence to this measure, respecting, as it does, the long-established rights of property, the West Indians may feel secure; but as the modern system of economy would involve their interests, along with numberless others, in ruin, it may be some consolation to them to know, that sound policy, no less than impartial justice, vindicates their cause.

In this inquiry it has been deemed unnecessary to allude to the question of Negro Slavery, latterly so much agitated in this country. The illustrious statesmen who first exerted their eloquence to put a stop to the Slave Trade, (a very different question indeed from that of the Abolition of Slavery) have been succeeded by interested individuals engaged in trade in another quarter, whose idle declamation is scarcely of a character to claim notice in a work of this description. In my publication entitled *Considerations on Negro Slavery*, I examined this question on what I conceived to be a comprehensive scale. Although two editions of this work are in circulation, and though independently of this testimony of public approbation, those persons who are systematically opposed to the colonies were not ignorant that it had produced some impression in the parliamentary circles deemed neutral, the suffrages of whom the anti-colonial party are so desirous of obtaining, yet not a solitary attempt has yet been made to reply to one of its statements. The great points which I aimed to establish, besides depicting

the actual condition of the slaves, were—First, that the loss or ruin of the British colonies must inevitably lead to a great increase of the SLAVE TRADE, to the benefit of foreigners. Secondly, that the idea of free voluntary labour, where men almost without an effort could supply all that their wants require, was unphilosophical and preposterous. Should the reader of these pages be disposed to think that my reasoning on that important though perhaps repulsive subject may be worthy of perusal, I have some expectation that he will find I have not given utterance (which, indeed, if I had, would have caused me much regret) to one uncandid insinuation or one ungenerous sentiment. I attempted, on the subject of Free Labour, to trace out the origin of property with the first springs of industry; an inquiry forming the first elements of political study, and without a thorough knowledge of which no person can hope to become even a tolerable economist.

The distance of the scene of action, in the colonial question, makes discussion respecting it less noticed than that which respects the great manufacturing or agricultural interests. Still one vital consideration presents itself, which, exclusively of the amount of property at stake, renders it by much the most important of all the great political measures now agitated throughout the country. It is, that whatever is done in this cannot be recalled. If 30 per cent. be found to be an inadequate pro-

'tecting duty on silk, after a trial, 45 per cent. may be levied. If the admission of foreign corn be found to inflict serious detriment on national prosperity, the old system can be restored. But once destroy cultivation in your colonies, regrets, remorse, attempts at reparation will be vain, for you will never again restore the stately fabric thus demolished.

This reflection should make the statesman pause on the very brink—should awaken sentiments of veneration for the destiny of possessions long associated with his country's pride and her prosperity—and as the new light of the Free Trade doctrine breaks in upon him, impel him to examine carefully if it come not through a false medium, lest by acting with unwariness and precipitation, his name be recorded with opprobrium by the future historian.

Section IV.

Concluding Reflections.

No one of the consequences of the modern philosophy is so truly pernicious as the placing of interests, which ought to harmonize, in hostile array against each other. When the various members of the community are impressed with the idea, that their own advantage is only to be promoted at the expense of their neighbours, they are stimulated to denounce and even to calumniate those whom they conceive to be their opponents; and thus the evils of social discord are augmented to a degree of painful inveteracy, tainting the manners, and destroying every generous sympathy. It is impossible to mingle in English society at the present day without being forcibly struck with the contrast exhibited between it and the polite states of the continent. With us the whole bent of the mind seems directed to counteract the efforts of either real or assumed enemies, lest the distribution of property should be subverted, and one party exalt itself on the ruins of the other. Hence a body of manufacturers cannot club together without declaiming against the agriculturists, and hatching plans to foment popular indignation against their alleged monopoly. This provokes retaliation, engendering in every subordinate branch feelings of

almost unappeasable animosity. To the disciples of economy the public may return thanks for the introduction of these sentiments. They it is who can boast the merit of inspiring Englishmen with hatred against Englishmen, whilst their own exquisite liberality wings its flight to distant regions to find exercise.

If, therefore, such views be shown to be unsound, scarcely is the relief afforded in the concerns of private life less appreciable, than is the result important as the basis of national policy. Some degree of dissension must always be expected to be found in a great commercial country among those who are absorbed in the pursuit of gain; but I feel assured that the number of these may be so contracted, as to include none of the legitimate branches of production. Were it practicable thus to obliterate all traces of prejudice or of mistaken interest, what a rankling sore would be healed—what a regenerating ebullition of happiness might yet await the community of England. This, however, can only be accomplished by a strict coalition of great interests, decidedly and effectually to put down those pernicious principles regarding commerce; broached first by sordid money-brokers, and since suffered to contaminate the whole land, and destroy nearly all those sterling English feelings by which this country rose and prospered. It cannot have escaped observation, that the mode insidiously pursued by the liberalists, is to take each interest de-

tached, and to run it down unheeded by the others, who appear so supine as not to imagine their own concerns involved in the principle, or their defence made weaker and weaker after each innovation. Has there, in any of the great discussions on the leading questions before the community, been anything like that comprehensive view of a general system, exhibiting its operation throughout every class? Far from it. The corn question is discussed in such a manner as to leave it to be supposed that corn-growers alone were involved:—The silk duties, as if it solely concerned the manufacturers whether the rate was to be 30 per cent. or 50:—The navigation laws, as if their abandonment preceded no other result than that of touching the interests of the ship-owners. There is indeed much of the Bobadil mode of fighting evinced by the liberalists. They single out an individual party; despatch it; then proceed to another; and thus dispose of the objects of their hostility piecemeal, carefully avoiding a general engagement. Though I am sensitively fearful of being thought disposed to descend from the contemplation of great national principles to any appeal designed to influence single interests, yet as it is impossible entirely to avoid a controversial air, I feel constrained to make a few observations, to show the fatal effects which must arise, if delusion continue in the best portion of the community, as to the effects of precedent when inroads are made on our commercial

policy. The rank, the property, and the importance of the landed interest, naturally place that class in the van, and give them the first claim to attention. It has become the fashion loudly to declaim on the power possessed by this body, and to insist that it requires unceasing assiduity on the part of the whole community to counteract their machinations. If by power is meant that respect and deference which the highest class of society is entitled to command, I feel little hesitation in avowing my opinion that it would be no slight evil to abridge it; but if it imply the exertion of undue authority or control, opposed to reason, I pronounce it utterly unfounded. What, at the present hour, may be described as the great arbiter of the destinies of this kingdom? The public opinion! Not, it is to be hoped, the mere WILL of the people, rude, superficial, and undigested, but that purer spirit, rectified and distilled, through a severe process of analysis, and constituting what may be emphatically denominated public INTELLIGENCE. But even granting that this latter influence should eventually prevail, still it is slow in its progress, and the louder voice of vulgar clamour too frequently impels to action, unrestrained by ulterior consideration. How then are the agriculturists situated? Distributed over the whole country, separated in their avocation from those bonds of union which enable men to co-operate for their common good, possessing not the opportunity to

give vent to their opinions in as efficient a manner as those by whom they are opposed, holding out less inducement, too, to the periodical press to advocate their cause, I should pronounce that there is more apprehension of the voice of this great portion of the community being stifled by clamour and violence, than that what power they do possess should be injuriously exerted. The manufacturers, on the other hand, reside in large towns; they are able at all times to coalesce, there is more general information among the various persons engaged, they are better customers to the daily prints, and we may hence be assured, that whatever can be urged on their behalf is not likely to remain concealed. It is thus that the prepossession has gained so much ground, that the Corn-Laws are improper and pernicious. Appearances being, at the first blush as it were, against them, the manufacturers have appeared in arms, and by their activity have brought many lookers-on to think with them. We destroy the germ of this mischief could we remove the fallacy lurking in the minds of the manufacturers as regards what is, intrinsically, their best support. I would implore them to employ the test of their own experience: to examine, carefully, the results in the sale of those goods they have exported, and contrast them with the supply of their customers at home. Let them attempt some estimate of that portion consumed by the landlords, the farmers, and their labourers;

imagine it greatly diminished, and consequent on that diminution, their being subjected, at best, to the uncertainty and risk of courting trade with foreigners; and then I have hopes, if they go to the bottom of the inquiry, that they will cease to petition for the privilege of eating foreign corn. They are virtually seeking the detriment of their best support, cheapness being but a poor compensation for the loss of business.

If, however, the chief delusion be manifested by the manufacturers, there may still be some imprudence on the part of the landholders. In most of the discussions the leading country-gentlemen displayed an impatience, and, perhaps, too great a disposition to slight the representations of their assailants, instead of convincing them of their error. This led to a perpetuation of hostility, which being industriously strengthened by the liberalists, each party has laboured to take away protection from the other, without considering that at every blow they assailed principles which in their own case they most sought to defend.

Jealousy like this can never fail to recoil; and we are thus taught how essential it is, not to view a measure in legislation on confined or local grounds; but carefully to examine how it fits in, when making part of a great system.

To several other branches in the state will the argument apply. The colonial proprietors, however great their property, are comparatively few in

number, contrasted with the other leading interests, a disadvantage which renders them more defenceless, and therefore generally the first object of attack. But when the modern tactics are thoroughly understood, it is easy to perceive that whatever is done here is but the prelude to more arduous encroachments. The moment that the anti-colonial party succeeds in its efforts against the colonies, the agriculturists may well feel alarmed, for the sacrifice of their interests will inevitably follow. So close is the analogy, that the same commercial policy which supports any alleged monopoly in the one, must, of necessity, support the other,—they will stand or fall together; and, on the ground of principle, it behoves those interested to weigh gravely their actions, lest their own conduct be afterwards adduced as an argument against themselves. The common dictates of national policy, as regards the welfare of our navigation, may lead the West Indies to feel secure that their commerce must still receive protection; but what, in this age of sweeping change, proves safe, if left solely to its own merits? When men are thoroughly convinced of the wisdom, propriety, and justice of certain ends, it would surely argue infatuation to sit tamely by, and neglect to employ all legitimate means for their attainment. Nothing further seems requisite to prevent the threatened mischief which lowers over the nation. The classes whose interests I have advocated, may be said to constitute the best por-

tion, indeed almost the whole, of the community. Set apart the agriculturists, the manufacturers, (supposing them, as I believe they are, unopposed to each other) the colonists, with the various professions and artists of every description naturally dependent on these classes for support, and who remain? They cannot, I presume, be a very important body; and the charge of those interested in a restrictive system clubbing their interests together to cheat the nation, appears inexpressibly ludicrous.

I hope it will not be forgotten that the welfare of our labourers stands in the very fore-ground of my object. Should these pages, through the thirst for reading, come into the hands of some boisterous claimant for cheap bread, I would submit to him a very brief statement. Along with that cheap bread must come the removal of duties on manufactures: foreign goods will clash with British goods; his master will be able just to give him the same wages that a foreign workman receives. Now, he must well observe, that if he has only the same wages as the foreigner, he must live like him. He cannot expect his present wages to continue; because his master, contending with the foreigner, would obtain no profit for himself. If, therefore, the workman abroad be obliged to content himself with a dinner of a few beans, boiled into *soupe-maigre*, our operative at home must reconcile himself to similar fare; and if the Sunday's garb of

the one be the second-hand coat of a stranger, that of the other will very speedily decline to the same standard. He should be informed that the system of liberality, about which he has heard so much professed by those who call themselves his friends, supposes the wages in all parts of the world alike; so that, unless a man works more, he must be reduced to the scale on which the most needy of foreign workmen subsist.

And now, having closed our review of the different interests merged in the question of Free Trade, does no other consideration present itself beyond that of the mere distribution of wealth? The presumptuous sneers incessantly thrown out against the Upper House of Parliament demonstrate too clearly that a political feeling is astir, seeking to destroy, in the subversion of property, that correcting influence of the legitimate aristocracy which forms, perhaps, the finest feature in the British Constitution. Before the altar of modern economy every sacred and venerable institution must fall: an insatiable thirst after lucre, regardless of moral consideration, forms the beginning, the middle, the end of the system. Not one elevated association, nor exalted sentiment, casts its solitary gleam over their long analysis, to teach the world that the preservation of the social compact has nobler attributes than the eternal jingle of value, and profits, and cheap production, and the whole vocabulary of

terms with which we have of late years been surfeited.

Well and truly may we now exclaim, "the age of chivalry is gone? Never, no never again, shall we behold the nurse of manly sentiment and heroic enterprise, the unbought grace of life, which feels a stain like a wound, which ennobles whatever it touches, and under which vice itself loses half its evil by losing all its grossness."

Far from echoing the demoralizing cry for the dissemination of principles which regard our fellow-creatures as mere manufacturing tools and engines, I would desire to see it checked, or rather to have its sounder precepts adopted into a general system of ethics, where they would be properly subdued and made subservient to the higher qualities of charity, of virtue, and of happiness. Political economy may be useful to those whose rank in life directs them to the pursuits of trade, but it will be a day portentous of evil to England when the flower of her gentry shall descend to its details, and abandon those higher attributes which embellish and exalt society.

When the mind has long been devoted to a study which teaches that GAIN is the chief end of life, the warmer and the kindlier sympathies of our nature are paralyzed, a cold-blooded calculating spirit predominates, selfishness usurps the place of generosity, and the sense of high honour, which gives its chief dignity to existence, sinks, extinguished in the tide of general degradation.

There may still be even a heavier charge brought forward. Under the vague universality implied in the idea of reciprocity of interests, the first of civil duties, patriotism itself, falls prostrate. We are called on to act as though the millennium had really arrived, and that envy, jealousy, and warfare are to be no more among nations.

If these be indeed the characteristics and the fruits of genuine liberality, I do not covet its possession; neither can I contemplate so lamentable a perversion of public feeling, as to believe there can be many proselytes to a doctrine which would sacrifice the pre-eminence of England.

THE END.

LONDON:
PRINTED BY WILLIAM CLOWES,
Northumberland-court.

Free Trade.

SPEECH

OF THE

RIGHT HON. W. HUSKISSON

IN THE

HOUSE OF COMMONS,

THURSDAY, THE 23d OF FEBRUARY, 1826,

ON

MR. ELLICE'S MOTION FOR A SELECT COMMITTEE, TO INQUIRE INTO AND EXAMINE THE STATEMENTS CONTAINED IN THE VARIOUS PETITIONS FROM PERSONS ENGAGED IN

THE SILK MANUFACTURE.

LONDON:

PRINTED FOR J. HATCHARD & SON, PICCADILLY.

1826.

[*One Shilling and Sixpence.*]

SPEECH,

&c. &c.

Mr. ELLICE having moved, "That a Select Committee "be appointed to inquire into and examine the state- "ments, contained in the various petitions from persons "engaged in the Silk Manufacture, and to report their "opinion and observation thereon to the House:" and Mr. John Williams having seconded the motion:—

Mr. HUSKISSON rose, and spoke, in substance, as follows:—

Sir;—Although the honourable member for Coventry, who introduced the present motion, may be supposed to be under the influence of suggestions and views, which have been furnished to him by his constituents, and from other sources out of doors, I am, nevertheless, ready to admit, that that circumstance ought not to detract from the weight, which is fairly due to the honourable member's statements and arguments, in support of the motion which he has submitted to the House.

But, Sir, however true this may be, as far as respects the honourable member for Coventry, the same observation applies not, in the remotest degree, to the honourable and learned gentleman who has seconded the motion; and who, acting, I must suppose, under the influence of a connection, certainly not political, but the more binding, perhaps, as having been more recently formed, has thought proper to take a wider range, and to indulge in a higher tone of declamation:—or, it may be, that he looks forward to the expectation of becoming the colleague of the honourable mover; and, by his speech of this evening, proposes to declare himself a joint suitor

with the honourable mover, for the future favours of the good people of Coventry. Whatever may be the motives of the honourable and learned gentleman, I confess that I have listened with the utmost astonishment to the speech which he has just delivered.

Sir, in the course of that speech, the honourable and learned gentleman repeatedly told us, that he was not authorized to make certain statements—that he was not at liberty to admit this, and to admit that. This, I presume, is a mode of expression, in which gentlemen of the legal profession are wont to indulge, to mark that they keep themselves within the strict limits of their briefs, and that the doctrines which they advocate are those prescribed to them by their instructions. However customary and proper such language may be in the courts of law, it certainly sounds new and striking in the mouth of a member of this House.

With regard to the general tone of the honourable and learned gentleman's speech—the vehemence of his declamation, his unqualified censure, and his attempts at sarcasm, I can, with perfect sincerity, assure the House, and the honourable and learned gentleman, that I entertain no sentiment bordering upon anger, nor any other feeling, save one, in which I am sure I carry with me the sympathy and concurrence of all those who entertain sound and enlightened views upon questions of this nature—a feeling of surprize and regret, at finding that honourable and learned gentleman, now for the first time, launching forth his denunciations and invectives against principles and measures, which have received the support of men the most intelligent and best informed, on both sides of this House, and throughout Europe.

Having said thus much, I leave the honourable and learned gentleman to the full enjoyment to be derived from the new lights that have so suddenly broken in upon him. I leave to him, and to his honourable friends around

him, to settle, among themselves, the taunts, the sneers, and the sarcasms, which he has heaped upon their heads, as the friends of those principles which are involved in the present discussion—principles which it has been their boast that they were the first to recommend, and of which they have uniformly been the most eager advocates in this House.

In whatever quarter the statements and arguments of the honourable member for Coventry may have originated, they are entitled to the serious and attentive consideration of the House; more especially if derived from individuals now suffering distress from want of employment, and who may have been led to believe, that that want of employment has been caused by measures which have been adopted by this House. This circumstance adds to the difficulty in which I am placed, in rising to address the House on the present occasion. In opposing the proposed inquiry, I feel that I may be represented as insensible or indifferent to the sufferings of those on whose behalf it is called for.

Sir, the honourable and learned member for Lincoln has, indeed, given countenance to this unjust imputation. He has not only chosen to assert, that I am mistaken in my views—he has not scrupled to insinuate, that I am without feeling for the distress now prevailing amongst the manufacturing classes. [Mr. Williams here denied that he had asserted any thing of the kind.] What, then, Sir, did the honourable and learned gentleman mean by his quotation? To whom did he mean to apply the description of an "insensible and hard-hearted metaphysician, exceeding the devil in point of malignity?"—I appeal to the judgment of the House, whether the language made use of by the honourable and learned gentleman, with reference to me, was not such as to point to the inference, that I am that metaphysician lost to every sentiment of humanity, and indifferent to every feeling,

beyond the successful enforcement of some favourite theory, at whatever cost of pain and suffering to particular bodies of my fellow creatures? When the honourable and learned gentleman allows himself to talk of "hard-hearted metaphysicians, exceeding the devil in point of malignity," it is for him to reconcile such language with the general tenour of his sentiments on other occasions; to explain, as he best may, to those around him, whether they are included in that insinuation;—and it is for me to meet that insinuation (as far as it was levelled at me) with those feelings of utter scorn with which I now repel it.

Still, Sir, it sits heavily on my mind, that any individual, or any body of individuals, should in any quarter be impressed with the notion, that I, or any of my right honourable colleagues, could be capable of that which has been imputed to us; and it is but perfectly natural that I should feel anxious to shew, that my own conduct, and that of my right honourable friends, has not been such as, in some quarters, it has been represented to be.

The honourable member for Coventry, and the honourable and learned member for Lincoln, have, by some strange perversion, argued the whole case, as if I, and those who act with me, were hastily and prematurely pressing on some new, and till this evening, unheard-of measure—as if we were attempting to enforce that measure by all the influence of Government: instead of which, we have proposed nothing, and are lying upon our oars, quietly waiting for the going into effect of an Act of Parliament, passed more than eighteen months ago, with the unanimous concurrence of this House; an act which is now the law of the land; and of the enactments of which, all the parties concerned were as fully apprized on the day when it first passed this House, as they can be at this moment.

In the view which I take of the speech of the honourable member for Coventry, of which I do not com-

plain, and of the speech of the honourable and learned member for Lincoln, of which I do complain, the greater part of their arguments go to impugn those principles of commercial policy, which, under the sanction of Parliament, have now prevailed in this country, for the last two or three years;—a policy, which has for its object gradually to unfetter the commerce of the country, by the removal of those oppressive prohibitions and inconvenient restrictions, which had previously existed; and to give every facility and encouragement, consistent with vested interests, to the extension of the skill, the capital, and the industry of the people of England.

This, then, being the real drift of the argument especially brought forward by the honourable and learned gentleman, it is, with reference to a much greater question, that I find myself called upon to consider the present motion. The point at issue is, not whether we shall grant the Committee, but whether we shall re-establish the prohibitory system? If we re-establish it in one instance, we shall very soon be called upon to do so in many others. If we once tread back our steps, we shall not be able, in this retrograde motion, to stop at that point from which we first set out:—we must go further; and, ere long, we should have in this country a system of commerce, far more restrictive than that which was in force before the late changes. Anxious as I am to persevere in our present course, I say that, if we once depart from it, we must at least be consistent in our new career; and that, to be consistent, we must impose restrictions and prohibitions, far beyond those which have been lately removed.

The present question, therefore, is not simply the motion before the House—but, neither more nor less than, whether a restrictive or an enlarged system of commercial policy be the best for this country?

In order to come to a sound decision upon so important a subject, it behoves the House to look back a little

to the course of events, and to bear in mind some of the occurrences which have materially contributed to those relaxations in the restrictive system, of which it is now the fashion to complain.

With this view, I must ask the permission of the House to call its attention to a Petition, presented to the House in the month of May 1820, a period which, like the present, was one of great difficulty and public distress. The Petition is somewhat long, but, I assure the House, that those honourable members, who may favour me with their attention, will be well rewarded, by hearing sound principles laid down, in the clearest language, not by philosophers and unbending theorists—not by visionaries and hard-hearted metaphysicians, with the feelings of demons in their breasts—but by merchants and traders; men of the greatest practical experience in all that relates to commerce. This Petition, Sir, is a document of no ordinary interest. The House will see how decidedly the Petitioners maintain the principles upon which his Majesty's Government have acted; and, when I have done reading it, I am sure they will admit, that those principles are therein expounded in words far more apt and forcible than any which I can command. The Petition, as I have already said, is not the exposition of any speculative doctrine. It conveys to the House the deliberate judgment of the Merchants and Traders of the City of London; the result of their daily observation of the evils inflicted upon the country, by the unnecessary restrictions imposed upon their industry and pursuits. The Petition states,—

"That Foreign commerce is eminently conducive to the wealth and prosperity of the country, by enabling it to import the commodities for the production of which the soil, climate, capital, and industry of other countries are best calculated, and to export in payment those articles for which its own situation is better adapted.

"That freedom from restraint is calculated to give the utmost extension to foreign trade, and the best direction to the capital and industry of the country.

"That the maxim of buying in the cheapest market, and selling in the dearest, which regulates every merchant in his individual dealings, is strictly applicable, as the best rule for the trade of the whole nation.

"That a policy, founded on these principles, would render the commerce of the world an interchange of mutual advantages, and diffuse an increase of wealth and enjoyments among the inhabitants of each state.

"That, unfortunately, a policy, the very reverse of this, has been, and is more or less adopted and acted upon by the Government of this and of every other country; each trying to exclude the productions of other countries, with the specious and well-meant design of encouraging its own productions; thus inflicting on the bulk of its subjects, who are consumers, the necessity of submitting to privations in the quantity or quality of commodities; and thus rendering, what ought to be the source of mutual benefits, and of harmony among states, a constantly recurring occasion of jealousy and hostility.

"That the prevailing prejudices in favour of the protective or restrictive system may be traced to the erroneous supposition, that every importation of foreign commodities occasions a diminution or discouragement of our own productions to the same extent; whereas, it may be clearly shown, that although the particular description of production which could not stand against unrestrained foreign competition would be discouraged; yet, as no importation could be continued for any length of time, without a corresponding exportation, direct or indirect, there would be an encouragement for the purpose of that exportation of some other production, to which our situation might be better suited;

thus affording at least an equal, and probably a greater, and certainly a more beneficial employment to our own capital and labour."

I will not trouble the House with reading the whole of this valuable document.—(*Loud cries of "Read! read!"*) I will then, Sir, read the whole, for it is a most valuable document; and, indeed, so it was thought at the time, for it is one of a few, if not the only one, which is given at length in the published Reports of our proceedings.

"That of the numerous protective and prohibitory duties of our commercial code, it may be proved, that while all operate as a very heavy tax on the community at large, very few are of any ultimate benefit to the classes in whose favour they were originally instituted, and none to the extent of the loss occasioned by them to other classes.

"That among the other evils of the restrictive or protective system, not the least is, that the artificial protection of one branch of industry, or source of protection against foreign competition, is set up as a ground of claim by other branches for similar protection; so that, if the reasoning upon which these restrictive or prohibitory regulations are founded were followed consistently, it would not stop short of excluding us from all foreign commerce whatsoever.

"And, the same strain of argument, which, with corresponding prohibitions and protective duties, should exclude us from foreign trade, might be brought forward to justify the re-enactment of restrictions upon the interchange of productions (unconnected with public revenue) among the kingdoms composing the union, or among the counties of the same kingdom.

"That an investigation of the effects of the restrictive system at this time is peculiarly called for, as it may, in the opinion of the petitioners, lead to a strong presumption, that the distress which now so generally prevails is considerably aggravated by that system;

and that some relief may be obtained by the earliest practicable removal of such of the restraints, as may be shown to be most injurious to the capital and industry of the community, and to be attended with no compensating benefit to the public revenue.

"That a declaration against the anti-commercial principles of our restrictive system is of the more importance at the present juncture, inasmuch as, in several instances of recent occurrence, the merchants and manufacturers in foreign states have assailed their respective Governments with applications for further protective or prohibitory duties and regulations, urging the example and authority of this country, against which they are almost exclusively directed, as a sanction for the policy of such measures: and certainly, if the reasoning upon which our restrictions have been defended is worth any thing, it will apply in behalf of the regulations of foreign states against us; they insist upon our superiority in capital and machinery, as we do upon their comparative exemption from taxation, and with equal foundation.

"That nothing would more tend to counteract the commercial hostility of foreign states, than the adoption of a more enlightened and more conciliatory policy on the part of this country.

"That although, as a matter of mere diplomacy, it may sometimes answer to hold out the removal of particular prohibitions on high duties, as depending upon corresponding concessions by other states in our favour, it does not follow, that we should maintain our restrictions, in cases where the desired concessions on their part cannot be obtained; our restrictions would not be the less prejudicial to our own capital and industry, because other governments persisted in pursuing impolitic regulations.

"That, upon the whole, the most liberal would

prove to be the most politic course on such occasions.

"That, independent of the direct benefit to be derived by this country on every occasion of such concession or relaxation, a great incidental object would be gained by the recognition of a sound principle or standard, to which all subsequent arrangements might be referred; and by the salutary influence which a promulgation of such just views, by the legislature and by the nation at large, could not fail to have on the policy of other states.

"That in thus declaring, as the petitioners do, their conviction of the impolicy and injustice of the restrictive system, and in desiring every practical relaxation of it, they have in view only such parts of it as are not connected, or are only subordinately so, with the public revenue; as long as the necessity for the present amount of revenue subsists, the petitioners cannot expect so important a branch of it as the Customs to be given up, nor to be materially diminished, unless some substitute less objectionable be suggested: but it is against every restrictive regulation of trade not essential to the revenue, against all duties merely protective from foreign competition, and against the excess of such duties as are partly for the purpose of revenue and partly for that of protection: that the prayer of the present Petition is respectfully submitted to the wisdom of Parliament; the petitioners therefore humbly pray, that the House will be pleased to take the subject into consideration, and to adopt such measures as may be calculated to give greater freedom to foreign commerce, and thereby to increase the resources of the State."

It will be clear to all who have been at the trouble to attend to the very able document which I have just read, that it embraces all the great principles of Commercial Policy, upon which Parliament has since legislated.

Why do I lay so much stress upon this Petition? For the purpose of shewing, first, that if the Government have pursued this course, we have done so, not on the recommendations of visionaries and theorists, but of practical men of business: secondly, that the Merchants of the City of London—the great mart of the commerce and wealth of the country—felt convinced, in 1820, that the distress of that period was greatly aggravated by the narrow and short-sighted system of restrictions and prohibitions which then prevailed; and that, in their judgment, the alleviation, if not the cure of that distress, was to be sought for in the removal of those restrictions and prohibitions.

And, because we have followed up, cautiously and circumspectly, the recommendations of the mercantile community, are we to be told by men who know nothing of commerce, that we are unfeeling projectors and metaphysicians, insensible to the wants and the miseries of our fellow creatures? If this be a just charge against us, what are we to think of the parties who could sign, or of the member who could present, such a petition as this? This morning I took the trouble to look at the names of the merchants who signed it; and, the first signature I read is that of one of the most distinguished of that class in the City of London; a gentleman who was many years ago Governor of the Bank of England, who is now one of the Directors of that establishment, and who was, for a long time, a valuable member of this House; a gentleman, who, in the best sense of the word, is a practical man, and one whose conduct in private life would protect him (if any man can be protected by his conduct) from the suspicion of being a "wild and unfeeling theorist"—a "hard-hearted metaphysician"—"alike indifferent to the wants and the miseries of his fellow creatures"—I mean Mr. Samuel Thornton. And, besides his name, the list contains the names of others, who, like him, have been Governors

of the Bank of England; of several who are now in the Direction of that great establishment; and of many who hold the highest rank in the commercial world.

Let it not, however, be supposed, that I offer this Petition to the House, in the way of an apology for myself and my right honourable colleagues—in the way of extenuation of any thing which we may have done, to excite the wrath of the honourable and learned member for Lincoln. Sir, I think now, as I have always thought, that our measures require no apology. I believe now, as I have always believed, that they are calculated to promote the best interests of the people. I say now, as I have always said, that those who, either by their speeches in Parliament, or the exertions of their talents out of it, have contributed to bring the people of England to look with an eye of favour on the principles recommended in this Petition, have done themselves the greatest honour, and the country an essential benefit.

If, however, I refrain from troubling the House with apologies, where I feel that they are not required, neither do I wish to claim for His Majesty's Government, any participation in the merit of these measures, beyond what really belongs to us. By a reference to many other Petitions and proceedings of a like nature with those to which I have already adverted, I could shew that, in all these matters, the first impulse was not given by the Government. We claim for ourselves no such credit. The changes hitherto made have been the result of public opinion, sanctioned by the concurrence of practical men, and confirmed by the proceedings and inquiries of the two Houses of Parliament. We did not create that opinion; we did not anticipate it: we did not even act upon it, until it was clearly and distinctly manifested. And, in what we have done, we have not exceeded the sober limits, prescribed by the authority of those, who, by the habits and pursuits of their lives, were most competent

to form a sound judgment. But, when that judgment was pronounced and recorded, it was our duty to act upon it. From those who fill responsible situations, the country has a right to expect, not that they should be slow of conviction to important truths in matters of political economy; but that they should be cautious in deliberating, before they attempt to give them a practical application. The goad, which is used to give increased impetus to the machine, is an instrument more properly placed in other hands; the care of Government should rather be to regulate the drag, so as not to check the advance, but to maintain a safe and steady progress towards improvement.

Has this been the principle of our policy on the subject now under consideration? Before I sit down, I think I shall prove, Sir, that the system upon which his Majesty's Government have acted, has uniformly been guided by that principle. Need I remind the House, how frequently, and with what asperity, we have been charged, from the opposite Benches, with reluctance and tardiness in carrying into execution, those principles of an enlarged and enlightened policy, in matters of Commerce, upon which all parties were said to be agreed. Year after year, have we been urged, by the force of public opinion out of doors, and by the earnest remonstrances of honourable members within, to adopt the very measures, against which a senseless clamour is now attempted to be excited.

Who were the first, and the most earnest, in suggesting these measures—aye, and in wishing to push them to extremes—but some of those very persons whom we now find arrayed against us, and against those principles which they formerly supported? By whom was the Petition which I have just read to the House presented? By whom was the prayer of it advocated?

After great note of preparation—after a formal notice

of what was about to come—this Petition, Sir, was brought down, on the 8th of May 1829, by the Honourable Member for Taunton,* whom I now see in his place. He it was, Sir, who introduced it to the attention of the House, in a long, but able and elaborate, speech, too long to be read by me now, as I have read the Petition; although, by so doing, I should add a most luminous commentary, in support of the doctrines of that Petition, and should best shew, by what force of argument and weight of authority, the honourable Member then contended for those measures, which the House is now called upon to condemn, and in which condemnation he himself appears disposed to concur.

After mentioning the Petition, and the great respectability of the gentlemen by whom it was signed; and after regretting, that "there was in the then circumstances of public embarrassment much, to which no remedy could be applied, at least, no Parliamentary remedy," the honourable gentleman went on to say, that "the first desideratum was such security and tranquillity in the country, as would enable the possessor of capital to employ it without apprehension."

The House will recollect, that the period at which this Petition was laid upon our table, was one of great public distress; and, in that respect, it but too much resembled the present time. Now, however, though the country is again visited with pecuniary pressure, and though the labouring classes (many of them) are suffering great privations from the want of employment, I feel confident, that we shall not witness the same danger to property, or the same disposition to violence, which at that time prevailed in the manufacturing districts. I feel confident, that the unfortunate individuals, who, in 1820, allowed themselves to be misled by unprincipled agitators,

* Mr. Baring. See Parliamentary Debates, New Series, Vol. i. p. 165.

will recollect how much their sufferings were increased by listening to pernicious counsels—counsels, which may prolong and aggravate, but which can, in no case, abridge or relieve their privations—and that they will not, a second time, lend a willing ear to those who would lead them on to their destruction. I trust they will so conduct themselves under their present difficulties, as to conciliate the regard and sympathy of every other class, and to excite in the bosoms of those, from whom alone they can expect assistance, no other feelings than those of kindness and benevolence.

Sir, after "security and tranquillity," the honourable member for Taunton proceeded to say, that "the second desideratum was, as great a Freedom of Trade, as was compatible with other and important considerations." In the opinion of the honourable member, at that time, a free trade was the very essence of commercial prosperity; and, therefore, he pressed us to adopt, all at once, the system, which we have since gradually introduced.

The honourable member then proceeded—as he has since done, upon several occasions, and done, indeed, this session—to tax my right honourable friend, the Chancellor of the Exchequer (who then filled the situation which I now hold), and the other members of His Majesty's Government, with apathy, and a total indifference to the distressed state of the manufacturing districts. "So far were they," said the honourable member, "from being sensible of the necessity of some exertion, that they went on, from year to year, trusting that the next year would be spontaneously productive of some favourable change, and, apparently, with very indistinct notions of what the real condition of the country was. Whenever a question arose between two classes of the community, Government, without seeming to have any opinion of their own, stood by, until they ascertained which party could give them the most effectual support. If the House looked back to an

earlier period of those which were still our own times, they would behold a different picture; they would find Mr. Pitt engaged in framing a Commercial Treaty; and, amidst difficulties of every description, boldly taking whatever steps appeared to him to be the best calculated to advance our commercial prosperity. He wished that he could see a little of the same spirit in the present day; but, instead of that, his Majesty's Ministers were balancing one party against another, and trying how they could keep their places from year to year; neglecting, in the meanwhile, all those great commercial and national questions, to which their most lively attention ought to be directed."

The honourable member for Taunton then went on to say—and I perfectly agree with him—that, "the first doctrine which the Petitioners wished to combat, was that fallacious one which had, of late years, arisen, that this country ought to subsist on its own produce; that it was wise, on the part of every country, to raise within itself the produce requisite for its consumption."—"It was really absurd to contend," continued the honourable member, "that if a country, by selling any article of manufacture, could purchase the produce which it might require, at one half the expense at which that produce could be raised, it should nevertheless be precluded from doing so."

This is unquestionably sound doctrine, and I readily admit it. But, how is it to be reconciled with the doctrine, which is now maintained by great authorities out of doors, as that which ought to be the rule of our commercial policy? According to these authorities, to which we have now to add that of the honourable and learned seconder of the present motion, Prohibition is the only effectual protection to trade:—duties must be unavailing for this purpose, because the influence of soil and climate, the price of labour, the rate of tax-

ation, and other circumstances, are constantly varying in different countries, and consequently, the scale of protection would require to be varied from month to month. But, what is the legitimate inference to be drawn from this exclusive system? Can it be other than this—that all interchange of their respective commodities, between different countries of the world, is a source of evil, to the one or the other?—that each country must shut itself up within itself, making the most of its own resources, refusing all commerce with any other country, barbarously content to suffer wants which this commerce might easily supply, and to waste its own superfluous productions at home; because, to exchange them for the superfluities of that other country, instead of being an exclusive advantage to either party, would afford an equivalent benefit to both. This is the short theory of Prohibitions, which these sage declaimers against all theory, are so anxious to recommend to the practical merchants of this country.

But, if this system be wise and just in itself; if, for the reasons alleged in its support, it be necessary for the protection of British industry, let us see to what it leads. Can this country command labour, on the same terms as Ireland? Is the scale of taxation the same? Are the poor rates the same, in the two countries? Is there any country in Europe which, more than Ireland, differs from Great Britain in these and many other particulars, affecting their commercial relations? Does it not follow, that, if we admit the system of prohibitions, now recommended to us by the honourable and learned member for Lincoln, we must prohibit all commercial intercourse with Ireland—we must revive those laws which forbade the manufactures, and repelled the productions of her soil—we must sacrifice the mutual benefits, which both parts of the empire now derive from the unrestricted freedom of intercourse—we must again revert to the prejudices of our ancestors?*

And, for what?—because, from prejudices certainly less pardonable, if not from motives less sincere, than those of our ancestors, a senseless clamour has recently been raised, against the present system of our commercial policy. I have no desire to disturb the partizans of the opposite system, in the enjoyment of their favourite theory. All I ask of them is, a similar forbearance towards us. Let each system be fully and fairly tried. For the sake of Freedom of Trade and Industry, and for the sake of England, let England be the field of trial for our system. For the sake of Prohibition and Monopoly, let the system of our adversaries also be fairly tried;—only let the trial be made upon some other country.

But, can Prohibition ever be tried under circumstances of greater favour, than it now experiences in Spain? In that flourishing country, prohibition has been carried to the very extreme. There, restriction has been added to restriction—there, all the fruits of that beautiful system are to be seen, not yet, perhaps, in full maturity, but sufficiently mature, to enable every one to judge of their qualities. Spain is the best sample of the prohibitory system; the most perfect model of fallen greatness and of internal misery, of which modern civilization affords an example—an example to be traced, not only in the annihilation of her commerce and maritime power, but, in her scanty revenue, in her bankrupt resources, in the wretchedness of her population, and in her utter insignificance among the great powers of the world. The commercial policy of Spain is simply this—to admit nothing from other countries—except what the smuggler brings in. And the commercial wisdom of the honourable and learned seconder of the present motion is equal to that of Spain.

I must now beg of the House to indulge me for a little while I endeavour to go through the detail of the spe-

cific measures recommended, in the Speech of the honourable member for Taunton, on presenting the London Petition. It will be perceived, how false and unfounded are all those clamours, which have been heaped upon me and my right honourable colleagues, for having unnecessarily made those alterations in our system of Commercial Policy, which, if I am to believe certain gentlemen, have plunged this country into misery and ruin.

The honourable member for Taunton, who is so great a practical authority,—the greatest, perhaps, this country affords—did not content himself, in this speech, with stating general principles. He referred to details; and, as I have just observed, he proposed measures of relief of a specific and particular nature. These propositions the House, I hope, will permit me to go over, one by one, in order to shew, that his Majesty's Government have not been wanting in attention to the suggestions of the Merchants of the City of London, nor backward in adopting their remedies, and recommending them to the consideration of the House.

The *first* measure pointed out, upon that occasion, and recommended in the warmest terms, to the attention of his Majesty's Ministers, for the relief of the country, was "an alteration of the duty on the importation of Wool." "What can be so absurd," said the Honourable Member, "as a tax on the raw materials of our manufactures?" Accordingly, he urged the abolition of the duty on the importation of Foreign Wool, dyeing drugs, and such other articles as are used in the great manufactures of this country. What, at that time, was our answer to this proposition? Why, this—"We have no objection to take off the duty on the importation of Foreign Wool, provided you will consent to allow the free exportation of British Wool."—"No," said the Woollen Manufacturers, "take off the duty on Foreign Wool, if you please; but keep in force the law

which prohibits the exportation of British Wool from this country." To this proposal we would not agree. We could not, upon any principle of justice, open our markets to an untaxed article of foreign growth, unless the manufacturer would concede his monopoly over the like article of our own growth. After years and years of struggle and conflict, we at last succeeded in convincing our opponents, that the duty on Foreign Wool might be taken off, and the prohibition to export British Wool be repealed, without endangering their interests.

And what has been the result? Where is the ruin that was so confidently predicted? I own I am more and more distrustful of the predictions of these practical authorities. Instead of our manufactures being ruined—instead of the fulfilment of the assurances, that all the British Wool would be exported, to the utter destruction of our manufacturers, and that from their destruction the Foreign Wool would no longer be wanted in this country—what has been the real effect of this measure? Why, that since the removal of the restrictions on the export, we have sent abroad the amazing quantity of 100,000lbs. weight of British Wool; while, of Foreign Wool, we have imported no less a quantity than 40,000,000 lbs. weight. This, Sir, is not speculation. It is practice and result against speculation. We removed the restrictive and prohibitory duties, and the consequences were, that we imported an excess of the foreign raw material, while we exported, comparatively, none of native growth—because, we had a better market for it at home. Good or bad, therefore, the first measure recommended to the attention of his Majesty's Ministers by the honourable member has been carried into complete effect.

The *second* measure proposed for our adoption, by the honourable member for Taunton, was a general revision of the Revenue Laws, with a view to their simplification. The honourable member stated—and he

stated truly—that those laws were so numerous, so complicated, and so contradictory, that mercantile men could not understand them—that they were at once a great impediment to trade, and a source of vexation and oppression to all who were engaged in it—that no man, however innocent his intention, could escape their penalties; that, therefore, it was the bounden duty of his Majesty's Government to simplify and consolidate them.

The task was one of great magnitude and difficulty; but, we did not shrink from it. My right honourable friend, the Chancellor of the Exchequer, devoted a great deal of time and attention to the subject: but, I am free to admit, that we never could have succeeded in our undertaking, without the assistance of an official gentleman, in the service of the Customs, a gentleman* of the most unwearied diligence, and who is entitled, for his persevering exertions, and the benefit he has conferred on the commercial world, to the lasting gratitude of the country. Of the difficulties of the undertaking, the House will be enabled to judge, when I state that there were no fewer than five hundred statutes, relative to the Customs alone, to wade through; independently of the numerous enactments concerning Smuggling, Warehousing, the Plantations, &c. In the performance of this duty, we had innumerable difficulties to encounter, and battles without end to fight. And now, Sir, in one little volume,† which I hold in my hand, are comprized all the Laws at present in existence, on the subject of the management and the revenue of the Customs, of Navigation, of Smuggling, of Warehousing, and of our Colonial Trade, compressed in so clear and yet so comprehensive a manner, that no man can possibly mistake the meaning or the application of them. I do not

* J. D. Hume, Esq. Comptroller of His Majesty's Customs in the port of London.

† Laws of the Customs, by J. D. Hume, Esq.

say this to boast of the successful result of our labours. It was the duty of Government to do what it has done. I only adduce it to shew, that this, the second recommendation of the honourable member, as the organ of the Commercial world, has not been disregarded.

Then comes the *third* recommendation of the honourable member for Taunton; namely, that we should do away with Prohibitions altogether; and substitute, in all cases, protecting for prohibitory duties. I will beg leave to read a short extract from what I consider a very accurate report of this part of the honourable member's speech. "Another desirable step," said he, "would be to do away totally prohibitions, as much as possible." To be sure, Sir, it may be difficult to reconcile "totally," and "as much as possible;" but, I have no doubt the honourable member's meaning was to express his thorough detestation of the prohibitory principle. "Where," he continues, "protection for particular manufactures is considered to be necessary, it ought to be in the form of duty, and not in that of prohibition. Prohibitions had, no doubt, seriously injured the Revenue, by the encouragement which they gave to smuggling. The Customs had fallen off a million and a half, in the course of the last year. He was sure that a good deal of that defalcation might be ascribed to Prohibitions."

I intreat the House to attend to what follows in the Speech of the honourable member:—"Nothing could be more absurd than to suppose, that any prohibition would prevent the introduction of the articles which were in demand. The fact was, that, at an advance of twenty or twenty-five per cent., all *light* prohibited articles might be had at our doors. He would not say which sex was most to blame, but such was the fact." Now, here we have the opinion of a practical man, who had come to this conclusion, after collecting the best evidence upon the subject, during his repeated visits to

Paris. Indeed, I cannot help thinking, that the honourable member had Silk, and nothing but Silk, in his view, at the time when he made these allusions. The honourable member has long been a professor of those doctrines, which he now reprobates me for upholding, as much as he then censured the Government for not more readily adopting. Even in the year 1817—also a period of distress—I find the honourable member declaring to the House, that, "in the article of Silk, smuggling was carried on to a very great extent; a proof of which was to be found in the fact, that although silks were in much greater use now, than formerly, yet that the British manufacturer was ruined." So, that it appears, Sir, that in the year 1817, the Silk manufacture, which, according to the doctrines of the present day, can only flourish under a system of prohibition, was, in that year, in a state of ruin, owing to prohibition.

The stagnation and embarrassment of 1816 and 1817 were followed by a state of unusual commercial activity. In like manner, the depression of 1822 and 1823 terminated in the extraordinary spirit of speculation, which marked the autumn of 1824, and the spring and summer of 1825. It is not irrelevant to the present discussion to compare these two periods, each commencing with commercial distress, and each ending in over-trading—each marked, in its first stage, by a great contraction of bank-paper circulation, and the accumulation of a vast amount of gold in the coffers of the Bank, and, in its second, by a great expansion of our circulating credit, and by the re-exportation of most of the gold which the Bank had previously accumulated. This comparison, whilst it connects itself with the question now under our immediate consideration, is calculated to throw some light on the equally important question of the Currency, which, at this moment, occupies so much of the attention of Parliament and of the country.

At the beginning of the year 1817, "the Bank," as we are informed by the Report of the Committee of 1819, "possessed a larger amount of cash and bullion in their coffers, than they had been in the possession of at any former period since their establishment." With this accumulation, they gave notice of a partial resumption of cash payments, engaging to pay in gold all notes under £5. From the beginning of 1817 till the month of July in that year, the whole demand for gold coin, under this notice, did not exceed £38,000; but, in consequence of a great augmentation of Bank Paper in August 1817 (exceeding, by upwards of three millions, the amount of the corresponding month in the preceding year), and of a like augmentation of country paper, the foreign Exchanges were turned against this country; and, from that moment, the gold was withdrawn from the Bank with much greater rapidity. In the course of the following eighteen months, many millions of coin were thus put into circulation, without any corresponding diminution in the amount of Bank notes;—or, rather, to speak more accurately, these millions, as soon as they were taken from the Bank, were sent to France, and other parts of the Continent, till the treasure of the Bank was very much reduced at the beginning of 1819; and then the amount of their notes was again contracted. This contraction was followed by a great depression of commerce, and of prices, in the subsequent years. During this depression, the Government were frequently called upon, as they are now called upon, to give relief, by an issue of commercial Exchequer Bills; but our first object, then, was permanently to restore—as our first object, now, is effectually to secure—a system of cash payments; the success of which might have been endangered by this mode of relief. So much for the first period, as far as relates to our Currency.

In the first stage of the second period (1822, 1823, and

a part of 1824), the Bank again accumulated an amount of gold, greater even than what it possessed at the beginning of 1817. Between September 1824 and November 1825, that gold was again taken out of the Bank, under all the like circumstances of the foreign Exchanges being against this country, and with the like results as had occurred in 1818. Again, notwithstanding the issue of so many millions of coin, the amount of Bank notes and of country paper was increased: again, these millions so issued were, for the greatest part, exported; and again, in the autum of 1825, the Bank was driven to take precautions, by contracting its circulation, in order to protect its remaining treasure. What has since occurred is known and felt by all.

So much for the Currency; now for the Trade.

In 1816, and 1817, during the first absorption of treasure by the Bank, the amount of Silk imported was, upon the average of the two years, 1,150,807 lbs:—in 1818, during the first flight of our coin to the continent, that importation was raised to 2,101,618 lbs., being an increase of 81 per cent.—Of Sheep's Wool, the average importation of the first two years was 11,416,853 lbs.:—in the year 1818 alone the quantity was 26,405,486 lbs. being an increase of 130 per cent.—Of Cotton Wool, the average of the two first years was 423,580 bales:—the amount in 1818 was 660,580 bales, being an increase of 57 per cent.

Let us now compare the import of the same articles in the years 1823 and 1824, with the import of 1825. It will turn out as follows:—Silk, average import of 1823 and 1824, 2,780,600 lbs.:—import of 1825, 4,231,673 lbs.; being an increase at the rate of 50 per cent. Sheep's Wool, average import of 1823 and 1824, 19,225,306 lbs.:—import of 1825, 38,705,682 lbs., being an increase at the rate of 100 per cent. Cotton Wool, average import of 1823 and 1824, 167,120,065 lbs.:—import of 1825,

222,457,616 lbs., being an increase at the rate of 33 per cent.*

I will not go more at length into this subject. It would lead me too far away from other topics, growing more immediately out of this debate, to which I have still to advert; but, I have said enough to point out, to those who take an interest in these matters, the intimate relation that exists between our Currency and our Trade; to shew in what manner the expansion of our paper circulation, combined with an unfavourable foreign Exchange, leads to overtrading, till overtrading again forces a contraction of the currency: thus, producing those alternations of extravagant excitement and of fearful depression, which this country has so often experienced of late years; alternations, of which the consequences are at once so dangerous to men of capital, so distressing to the labourers who depend for employment on that capital, and so subversive of those principles of security to property, on which the prosperity of every commercial state must ultimately rest.

The immediate inference which I draw from this comparison is, that the present stagnation in the Silk Trade is more produced by the late alternation, than by any effect of the Law which will come into operation next July.

To return, Sir, to the speech of the honourable member for Taunton. The *fourth* point to which he called the attention of Government, was, the state of the Navigation Laws. The change which the honourable member recommended would, in fact, have amounted to the total repeal of those Laws. He thought, "that no restriction ought to be held on foreign ships importing into this country, whether the produce was of their own, or any other country." Accustomed to look on these laws as

* These Returns for the years 1823 and 1824, are made up from January to January, and for 1825 from October 1824 to October 1825;—the Return to January 1826 not being yet received.

the prop of our maritime power, and to watch with a jealous eye any encroachment upon them, we could not consent to this sweeping principle of innovation. On the other hand, we professed ourselves ready to inquire, how far some of their regulations, inconvenient to trade, might be dispensed with, without prejudice to the higher political objects, for which these Laws were originally enacted. This inquiry was gone into with great care, by a Committee, over the labours of which, my right honourable friend, the Master of the Mint, presided; and the result has been that, by his zeal and diligence, several measures have been introduced to the House, which have led to a relaxation in those Laws, highly beneficial to the commerce of the country, and in no way injurious to our strength as a maritime power. But the principle of those Laws is still retained. In this instance, certainly, we have not been able to go all the lengths recommended by the practical men; but, be it recollected, that the charge, against which I am now upon my defence, is that we are theorists.

The *fifth* point which was strongly recommended by the honourable member for Taunton, was the removal of the Transit Duties on German Linens, and some other articles of foreign produce. At the very time that the honourable member was pressing for this removal, he must have been aware, that his Majesty's ministers were sensible of the impolicy of these restrictions, and that they were desirous, not only to get rid of them, but also, to revise the whole system of Bounties and Drawbacks. But he could not be ignorant of the complication of interests, and the difficulty of detail, which we had to encounter, in every stage of this undertaking. He could not be ignorant of the prejudices, by which this system was upheld. For the abatement of those prejudices, we thought it more safe and more expedient, to trust to the influence of time and reason, than, at all hazards, to en-

counter them at once by an act of power. This was our theory in 1820; and, I am now happy to add that, by adhering to it, we have been completely successful. The Transit Duties have been all removed; and the system of Bounties and Drawbacks has undergone an entire revision, and been remodelled on an improved plan.

To come to the *sixth* recommendation of the honourable member for Taunton. He told us, that "it was of importance that we should alter our Commercial Regulations with respect to France. It was desirable," added he, "that all restrictive regulations between the trade of England and France should be removed; but, to do so, we must begin at home. It would be unfair to attempt a negotiation for a commercial intercourse, while we kept our ports shut against them. Let it be considered, that it was not by a restrictive system, that this country had grown to such a pitch of greatness; but, on the contrary, that such a system was a bar to that greatness. It was necessary also to remove an impression which our system of commerce had made abroad. We were looked up to as the first commercial nation in the world; and it was, therefore, I believed, that we had adopted our restrictive or protecting system, from a conviction of its beneficial effects on our commerce. This impression it was our interest, as well as our duty, to remove, by altering our Commercial Regulations with foreign powers."

This advice of the honourable member for Taunton, his Majesty's Government have also attended to. What have we done in this case? We have "begun at home." We have set an example to the nations of the Continent. We have put an end to the restrictive system affecting France, as far as we could put an end to it. And, we have invited France to follow in our track, by doing away with the obstacles existing on her part to a greater freedom of trade. France has taken a first

step towards placing the intercourse between the two countries upon a footing of greater facility. This is a practical approximation, on her part, to the principle of a more enlarged system of commerce; a principle, equally recognized by the most enlightened statesmen, and the most leading merchants, of that country; a principle, which cannot fail to make its way in France, as it has made its way in this country, by discussion and inquiry, and which, in proportion as it gains ground, will confer advantages upon France, and, by her and our example, furnish a salutary lesson to the rest of the world.

As I have adverted to this subject, I will beg leave to say one word, as to the Convention of Navigation, recently concluded between the two countries; upon which a misconception appears to have gone abroad. I allude to the Decree of the French Government against the introduction of the produce of Asia, Africa, and America, through this country, into France, for home consumption. The Regulation of this Decree has been mistakenly considered, as the effect of a stipulation under the Convention. This I beg leave to deny. The Decree is an act of the French government, quite independent of the Convention. It might, and probably would, have been passed, had no such Convention been made between the two countries. A similar law was proposed to the Chambers last year, and then only postponed. It is a Regulation of which we have no right to complain, and against which we have no right to stipulate; because, the like restriction exists in this country. That for which we had a right to stipulate, and for which we have stipulated, is, that if, in relaxation of this Decree, any of the productions of Asia, Africa, or America, are admitted into France for home consumption, from this country, they shall be equally admitted, and upon the same duties, in British as in French vessels.

I do not deny that, beyond what is provided for by

this Convention, much might be done to improve the commercial relations of this country and France; but, the basis is laid down, and the contracting parties have expressly reserved to themselves "the power of making, by mutual consent, such relaxations in the strict execution of the article, as they may think useful to the respective interests of the two countries, on the principle of mutual concessions, affording each to the other reciprocal or equivalent advantages." The development and further application of this principle must be left to time, and to an improved state of public opinion in France. But, I confidently appeal to the House, and to the honourable member, to say, whether the best course for doing away with prejudices and unfavourable impressions on the Continent, would be for us to retrace our steps; to re-enact the old prohibitions and restrictions; and to exclude foreign merchandize and foreign shipping, as we had formerly done.

Seventhly, and lastly, the honourable member for Taunton recommended to his Majesty's Government, "an extension of our trade with British India." In answer to this suggestion, it is only necessary for me to say, that our attention has been incessantly directed towards that desirable object. We have left no steps untried, to prevail on the East-India Company to consent to an enlargement of the Private Trade. To a certain point we have succeeded, though not to the extent of our wishes. If all that the honourable member sought for has not been done, the fault is not ours: we have no means of compelling the Company to comply with the wishes of the merchants. The vested rights of that corporation, have been conferred upon them by Parliament; and, inconvenient or not, we are bound to respect those rights, till the expiration of that period for which they have been granted.

These are the principal improvements which were urged on the Government of the country, in the year 1820, by the honourable member for Taunton; speaking—be it always remembered—in the name, and on the behalf, of the Merchants of London. To all of these suggestions, I say, his Majesty's Ministers have attended. My right honourable friend, the Chancellor of the Exchequer, who then filled the situation which I now hold, replied to the Speech of the honourable member, on that occasion. He repelled the accusation of the honourable member, that the Government were insensible to the sufferings of the people. He avowed his desire to proceed in the course that was recommended; but, he, at the same time, represented the difficulties by which his endeavours had, till then, been opposed. Did the honourable member acknowledge himself satisfied with the assurance and explanation of my right honourable friend? By no means, Sir.

So eager was the honourable member for Taunton for the immediate enforcement of these important changes, that he concluded his reply to my right honourable friend, in the following terms: "as to the Petition itself, the principles which it contained had met with so unanimous a support, that he wondered whence that opposition could come, by which the right honourable the President of the Board of Trade seemed to be deterred from attempting any reform of our Commercial System; and he could not help expressing a hope, that, for the future, that right honourable gentleman would not listen entirely to the suggestions of others, but, in treating the subject, would rely on his own excellent understanding."

With this admonition, the debate closed. The recommendations of the honourable member—the great authorities from which they originated—convinced the Government, that the time was come, when they might go forward with measures, to which they had long before

avowed a friendly disposition. The consequence was, a determination, on their part, to institute an inquiry before a Committee of this House, in order to ascertain, how far, and by what course of proceeding, the steps recommended, and any others founded upon the same principles, could be acted upon, for the general improvement of the Commerce of the Country.

In the other House of Parliament, a Committee was sitting, whose labours were directed to the same object. This Committee had been appointed upon the motion of a noble Marquis;* who had, at all times, taken the liveliest interest, in whatever relates to the Trade and Commerce of the country; and whose principles, in these matters, unlike to the *grasshopper* on the Royal Exchange, do not veer about, with every change of the wind; or with every fluctuation in the speculations of those who transact business in that Exchange.

One of the subjects which particularly engaged the attention of the noble Marquis, and of the Committee over which he presided, was, the state of the Silk Trade. They heard evidence; they called for papers; and they examined witnesses, from every quarter. What was the result of their investigation? Why, Sir, they state in their Report, that, "it appears to the Committee, that there is no bounds to Smuggling, under the prohibitive system; and that, in the opinion of the Committee, protecting duties might, advantageously, be substituted for prohibitive ones."

Such was the view taken by the Committee of the House of Lords, in 1821. I will not detain the House, by going at length into the course of inquiry, by which they arrived at this conclusion. But, some attempt has been made this night to undervalue the Evidence of two merchants from the United States, who were examined before the Committee; and examined, be it recollected,

* The Marquis of Lansdown.

upon oath. These two merchants came to Europe, for the purpose of purchasing Silks. They first visited France; and then they came to England. They could be actuated by no other interest, than that of procuring Silks on the cheapest terms.

And what was their evidence? On being asked, as to the relative cost of the silks of France and the silks of England, one of them said, that "he had bought goods in France and in England; and that the difference, when the quality was equal, was from twenty to twenty-five per cent." And the other said, that "the difference did not exceed twenty per cent." But, both of them stated, that, in the article of Silk Hosiery, price and quality considered, they greatly preferred the English manufacture to that of France.

The Report containing this evidence, recommended an alteration of the Laws relative to the Silk Trade, by the removal of the duty on the raw material, and of the prohibition on wrought silks. Honourable members, however, are aware, that the House of Lords could not, from the nature of the proposed change, initiate a measure, to carry into effect the object of this Report.

Nothing further took place till the year 1823; when the honourable member for the city of London,* came down to this House with a Petition from the Master Manufacturers of Spital-Fields, praying for a repeal of what is generally called, "the Spital-Fields' Act." This, as the House well knows, was a law for regulating the mode of working in that district; and for enabling the magistrates to fix the rate of wages to be given for each description of work. In short, a most unfit law to remain upon the Statute Book; but the professed object of which was, to protect the Men against the exactions of their Masters. The only possible excuse for having ever passed such a law is, that, when it was passed,

* Mr. T. Wilson.

the Masters had a monopoly of the Silk manufacture in this country.

I will tell the House why I state this. A deputation of the Weavers of Spital-Fields waited upon me, and my right honourable friend, the other day. They are a sincere, well-meaning, and, certainly, a well-behaved body of men. After hearing their representations, I was satisfied, that if I had put it to them, to make their choice between the revival of the Spital-Fields Act, or of the prohibitory system—if I had said to them, "You cannot have both a Prohibition and the Spital-Fields Act, but you may have either the one or the other—take your choice!"—they would have instantly said, "Give us the Spital-Fields Act, and let the prohibition go to the winds." So much for practical feeling; which is now urged in opposition to what is called theory!

And here I must beg leave shortly to refer to the doctrine laid down in the Petition presented in 1823, by the honourable member for the City of London, to which I have just alluded. The Petitioners state, "that with our unlimited supply of Silk from our territories in India, we might be independent of the rest of the world; that with our great command of capital, and the unrivalled skill of our artizans, the manufacturers did not fear the competition of any foreigners: and that, with a Free Trade, Silk would become, like Cotton, one of the staple manufactures of the country."

I do not mean to accuse these Petitioners of making this statement, in order to entrap the public, and to induce the Parliament to take measures, which they knew would involve their own manufacture in distress; but, I have a right to refer to their Petition, as well as to the more general Petition of the Merchants of London, to shew, that the measures which his Majesty's Ministers have taken, are neither the offspring of theory, nor measures which they carried in opposition to the prevailing

opinion of the country, or of the Trade. They brought forward these measures, because they were convinced that they were founded in sound policy; but not till they were satisfied, that they would meet with the concurrence and support of those who had a more immediate interest in their result. So far was Government from any precipitation in carrying them into effect, that it was not till the year 1824, that they determined to propose the repeal of the duty on the raw material, and to permit the importation of foreign manufactured Silk, subject to a protecting duty. They were aware that, without taking the duty off the raw material, they could not attempt this improvement; but, as soon as my right honourable friend, the Chancellor of the Exchequer, was enabled, by the flourishing state of the Finances, to reduce taxation, he did not hesitate to remit this duty, as the necessary preliminary to the removal of the prohibition.

From that moment, we lost the support of the honourable member for Taunton, to whom I have so often alluded; and his voice was only heard in opposition to measures, which he had so long been recommending for our adoption.

My right honourable friend, the Chancellor of the Exchequer, having, on the 23d of February 1824, stated generally to the House, what it was our intention to do; it fell to my lot, on the 8th of March, to open the measure more in detail. Then it was that I heard, for the first time, of the serious opposition which the proposed measure would receive from the honourable member for Taunton. Then it was, that, seconded by the honourable member for Coventry, who opened the debate of this evening, he declared, that, by the end of the two years, which I proposed to allow before the prohibition should finally cease, the Silk trade would be destroyed.

This delay I now consider to have been the greatest

error that was then committed, and the origin of our present difficulty; as far as this trade is concerned. "Those," said the honourable member for Taunton, "who propose this new plan, are completely ruining the Silk manufacture of England. The moment this plan is promulgated, the great object of all who have capitals embarked in the manufacture will be, to disentangle those capitals; and those who have no capital, except their labour, will be left to struggle for themselves, and probably to perish, for want of employment."*

Such, in 1824, were the gloomy forebodings of the honourable member for Taunton. Experience has made me rather obdurate to all such prophecies; for, so many are daily made by individuals whose fears are excited, or who, when they suppose their particular interests to be at stake, attempt to excite fear in others, that I must have abandoned every measure which I have brought forward for improving our Commercial Policy, had I allowed myself to be acted upon by such forebodings.

Last year, for instance, I received representations from the Iron trade—day after day, and month after month: but, I could not share in their alarms. I must state this however, with one exception. There exists in this country one considerable establishment, in which iron is smelted by charcoal in great perfection, but at a heavy expence. This Iron is held in equal estimation with the best from Sweden; but, there was reason to apprehend, that it could not, under the reduced duty, maintain itself in competition with the latter. The establishment in question belongs to a most respectable and scientific gentleman, well known to many members of this House,—Dr. Ainslie. Having heard his statement, I told him that, although I could not alter a general measure to meet one particular case, I would endeavour to devise some other mode of relief, if he should be overwhelmed by the competition.

* Parliamentary Debates, vol. x, p. 817.

And, what does the House think has been the result? Sir, within the last fortnight, that respectable individual has sent me word, through an honourable member of this House, not only that his fears have not been realized, but that my most sanguine hopes had been confirmed—that his trade, in fact, had in no degree suffered by those very measures, which he apprehended would have been fatal to it; and that it was, upon the whole, in a very flourishing state.

Let us now see how far the predictions of the honourable member for Taunton, and the honourable member for Coventry, have been realized. These predictions were, that the Silk Trade would be annihilated, in the course of the two years allowed to the manufacturers to prepare for the change.

The bill passed this House in the spring of 1824; and, during the rest of that year, the Silk Trade went on flourishing and increasing, in the face of this threatened annihilation. In the spring of 1825, there prevailed a degree of excitement—a spirit of speculation—an extension of demand in this manufacture—to a greater degree than had ever been witnessed before, in almost any branch of trade. It was, in 1825, that so many new factories were erected; so many new mills set at work; so many new looms occupied. The old mills were not sufficient: many new ones were raised; the erection of each of which, I am assured, did not cost less than from £10,000 to £15,000: and several of these new mills have not even yet been roofed in.

Thus, at the very time when, to satisfy the prediction of the honourable member for Taunton, this trade should have been in a state of rapid decline, the manufacturers were building to an excess, that had never been equalled in the periods of their greatest prosperity.

The honourable and learned member for Lincoln has alluded to the present condition of the town of Maccles-

field. I know what misfortunes and bankruptcies have occurred there, and I feel the deepest and most undissembled sorrow, for the sufferings of that population. I am aware of their distressed state at this moment. But, I cannot help thinking, that the honourable and learned member, in stating their situation, should also have stated some of the circumstances which have aggravated, if not created, their present difficulties; for, certain it is, that the spirit of speculation has, in that town, been carried to the greatest extravagance. According to the last census in 1821, the whole population of Macclesfield amounted to 17,746 souls. Now, I will suppose that between that year and the year 1825, it increased to 20,000. What then, in that year, was the demand for additional labour, in the Silk manufacture alone, of that town? I have seen, and many other gentlemen have no doubt seen, in a Macclesfield newspaper, of the 19th of February, 1825, the following Advertisement:—"To "Overseers, Guardians of the Poor, and Families "desirous of settling in Macclesfield, Wanted immediately, from four to five thousand persons,"—*(Loud cries of, hear, hear!)* The House may well express their surprize; but, I beseech their attention to the description of persons required by this advertisement— "from seven to twenty years of age"—so that the Silk manufacturers were content to receive children of the tender age of only seven years—"to be employed in the "throwing and manufacturing of silk. The great increase "of the trade having caused a great scarcity of Workmen, "it is suggested, that this is a most favourable opportunity "for persons with large families, and Overseers who wish "to put out children"—[children of *seven* years of age!] "as apprentices, to ensure them a comfortable livelihood. "Application to be made, if by letter post paid, to the "printer of this paper."

Humanity is not the least remarkable part of this

precious document; and the House will not fail to observe, how admirably the cruelty of confining children of *seven* years of age, to labour in a Silk mill, for twelve or fifteen hours out of the four-and-twenty, is tempered, by the inducement to parents to provide for their families for life. What sort of provision that has been, the present wretched state of those helpless infants will best evince. And here I cannot help observing, that, at the very time such an invitation was sent forth to overseers and parents, by the owners of Silk mills, this House was very properly occupied in passing a bill, to prevent the Employment of Children under *nine* years of age in cotton factories.

Very soon after this Advertisement, and before the Mills were finished, in which these children were to be immured, there appeared, I have been assured, another Advertisement, nearly in the same extravagant style:—"Wanted to be built immediately, *one thousand* houses!"—doubtless, to contain the five thousand new inhabitants.

Yet, all this took place in the year 1825; just one year, according to the honourable member for Taunton, before the Silk trade was to expire for ever. I ask, then, what weight can be given to the predictions of those, who, in the face of these striking facts, continue to assert, that the Silk Trade of this country will be annihilated, before the end of the next twelve months? Can any man wonder, after such an enormous extent of speculation—after such inhuman efforts to induce so many destitute children to flock into the manufacturies—after such an influx of population—can any man, I say, wonder—all branches of this trade being now in a stagnant state—at most of these newcomers being out of work at Macclesfield—or, at the fact stated by the honourable and learned member for Lincoln—his hair almost standing on end with horror—"that eleven orders for the removal of as many paupers, had been made out in one week?"

Under ordinary circumstances, it could scarcely have

been expected, that the Silk manufacture alone could have formed an exception to the general re-action, which has followed over-trading and speculation, in every other branch of commerce; but, under the circumstances of peculiar excitement, which I have now stated, it would, indeed, have been matter of surprise, had it escaped its full share of the common pressure.

Sir, I feel that, upon this occasion, a heavy burden is imposed upon me. I feel that I have not only to defend myself from the attack of the honourable member for Lincoln, but to say something in behalf of my right honourable colleagues;—something in vindication of the House itself, for the course which they have pursued, in the adoption of the system of Commercial Policy which we recommended.

As the whole of that system has been so vigorously attacked, I shall, I trust, be excused, if I touch, very briefly, upon the proceedings of the last session of parliament:—when, in furtherance of that system, and with the cordial concurrence of this House, I brought forward measures of a more general nature, than the Silk Bill of the preceding session; inasmuch as they went to effect an important, and more extensive change, in the Colonial, as well as in the Commercial Policy of the country. The Colonial part of the subject had not, I admit, been much pressed upon his Majesty's Government, either by representations in this House, or in discussion out of doors. But, there are occasions on which it is the duty of a vigilant Government, instead of waiting for such pressure, to watch the signs of the times, and to accommodate their policy to those changes in the world, under the continued operation of which, a blind adherence to our former system would no longer be either safe or expedient. Upon this principle, I shall be ready to vindicate the alterations, great as they are, in the policy of our Colonial Commerce, whenever those alterations may be called in

question; but as, hitherto, they have not been attacked in this House, and as they received the special approbation of the honourable member for Taunton, I shall now say no more upon that part of the subject.

With respect to the alterations in our general Commercial system, however extensive in their application, what were the objects which they embraced? They went to the removal of useless and inconvenient restrictions, to the doing away of prohibitions, and to the lowering of duties so excessive, as to be in fact prohibitory on the productions of other countries—restrictions, prohibitions, and duties, which, without benefit, nay, highly mischievous to ourselves, have produced all the evil effects, and given rise, in other parts of the world, the retaliatory efforts of foreign Governments, to put down the commerce of this country. These were some of the bad consequences justly attributed to our exclusive system, by the honourable member for Taunton and the Merchants of London, in the Speech and Petition to which I have so often referred.

And here I cannot but express my astonishment, that gentlemen (I am now speaking of persons out of doors)—who must be better informed—whose sincerity I cannot doubt—but whose judgment, in this respect, seems to be most unaccountably perverted, impute all the prevailing distress, as well as the derangement in the foreign Exchanges, which preceded, and, in a great degree, produced that distress, to this lowering of excessive duties, and removal of unnecessary prohibitions.

I have called for the production of a Paper, which has not yet been printed, but which will, I hope, in the course of twenty-four hours, be in the hands of every honourable member—for the purpose of shewing, what have been, during the last year, the actual Imports of most of the principal articles, the duty on which has been materially reduced. From this document, it will be manifest, that, although there has been some increase of

import in most of those articles, in none has it been carried to any great extent. In manufactured goods,—Cottons, Woollens, Linens, &c. the increased import of the whole does not exceed a few thousand pounds. And yet, in opposition to this decisive evidence, there are those, I understand, who have had dealings for millions in foreign Loans, who, to facilitate the payments of those Loans, and other financial operations of foreign governments, have sent million after million of our gold coin, drawn from the Bank of England, to the Bank of Paris, and who, in the face of such gigantic operations, the benefit of which to this country (whatever it may be to themselves) it is difficult to conceive—have been pleased to attribute the unfavourable state of the foreign Exchanges, during the last summer and autumn, to the commercial measures adopted by Parliament in the preceding session.

I am happy to say, that where the duties have been lowered upon articles of consumption, the result has hitherto fully borne me out in all my anticipations. In the six months which immediately followed the reduction of the duty on Coffee, the consumption of that article has nearly doubled, without occasioning any decrease in the consumption of Tea. In Wine, the duty upon which, we were told, ought not to have been reduced, without some reciprocity to the productions of this country, the consumption has also increased in an equal degree. And thus it will appear, that the same amount of revenue has been attained by the Government from diminished burthens; thereby leaving greater means of comfort and enjoyment to the people.

I come now to the real jet of the Silk question; and which—I say it with all due deference to the honourable mover and seconder of the present motion—has not been, in the slightest degree, touched upon by either of them.

It is admitted, on all hands, that Silk is an article which can be easily smuggled; and, that it is now smuggled, to a very considerable extent, in spite of all the preventive measures that have, from time to time, been adopted. Now, the object of the British manufacturer is, as much as possible, to shut out the competition of his foreign rival. If smuggling could be prevented, I would concede to him, that prohibition would be most effectual to this object. But, if it cannot, what is the advantage of prohibition, over a protecting duty of 30 per cent.? I say, of 30 per cent., because, I never yet conversed with a single merchant or manufacturer, who did not admit, that if a higher protecting duty were imposed, the supply of foreign Silk goods would be thrown into the hands of the smuggler.

The question, then, looking at it practically, is this:—In what degree is Prohibition better, as against smuggling, than a well regulated duty?—by which I mean, a duty sufficient to protect the British manufacturer, without being so high as to afford a premium to the smuggler.

In the first place, it cannot be denied, that the feelings of mankind are more likely to restrain them from committing a fraud, than from violating a Custom-House prohibition. I am sure it will be conceded to me, that many honourable persons, who would not, for any temptation, be parties to a contrivance to evade a tax, and thereby to rob the public revenue, would feel very little scruple in wearing an article that is absolutely prohibited, and the introduction of which is not in opposition to any moral duty.

So far then, the argument, in support of the assertion, that a prohibitory law is the best check upon smuggling, makes directly the other way, and is in favour of protecting duties.

But the great, indeed the only, argument in favour of

Prohibition, in preference to a protecting duty, is this—that after the forbidden goods have been landed in this country, and when they are in the possession of individuals, even for their own use or consumption, you may follow them into private dwellings, nay, into the very pockets of the wearers, and seize them upon their persons, in the King's name, at the bare suggestion of any common informer.

To what does this power of seizing and examining all who may be suspected of possessing prohibited articles amount? Sir, it amounts to this—that if any man—no matter what may be his rank, be he the humblest peasant, or the highest peer in the realm—be suspected of wearing, or possessing, a Silk handkerchief of foreign manufacture, he is liable to have it taken from his neck or his pocket, and to have his house ransacked, from the garret to the cellar, in quest of contraband articles. If, without such a subsidiary regulation as this—a regulation which encourages the worst passions, engenders the most appalling perjury and crime, and which opens so wide a door either to fraud and collusion, or to intimidation and personal violence—prohibition cannot be sustained; then, Sir, I say, in preference to such a system, let us, in God's name, have a well-regulated duty.

And here I hope I may be permitted to digress for one moment, to ask, how a great constitutional lawyer—a staunch advocate for the popular character of our constitution—a zealous stickler for the inalienable rights of the people—a watchful guardian of the sanctity of an Englishman's private abode;—how he could so entirely discipline and subdue his warm and boasted feelings for the Liberty of the Subject, as to pour forth the declamatory harangue, which we have heard this night from the learned member for Lincoln, in favour of this system of prohibition?

But, even with the aid of this power of search and sei-

zure, is prohibition an effectual remedy against Smuggling? I have lately taken some pains to ascertain the quantity of smuggled Silks, that has been seized, inland, throughout the kingdom, during the last ten years; and I find, that the whole does not exceed £5,000 a-year. I have endeavoured, on the other hand, to get an account of the quantity of Silk goods actually smuggled into this country. Any estimate of this quantity must be very vague; but, I have been given to understand, that the value of such goods as are regularly entered at the Custom-Houses of France, for exportation to this country, is from £100,000 to £150,000 a-year; and this, of course, is exclusive of the far greater supply which is poured in, through all the channels of smuggling, without being subjected to any entry. In fact, to such an extent is this illicit trade carried on, that there is scarcely a haberdasher's shop, in the smallest village of the kingdom, in which prohibited Silks are not sold; and that in the face of day, and to a very considerable extent.

The honourable member for Coventry has mentioned the Silk goods from India, as those against which anything but prohibition would prove an unavailing protection. Now, in my opinion, it is scarcely possible to conceive a stronger case, than those very Silks furnish against the honourable member's own argument. I believe it is universally known, that a large quantity of Bandana handkerchiefs are sold, every year, for exportation, by the East-India Company. But, does any gentleman suppose, that these Bandanas are sent to the continent, for the purpose of remaining there? No such thing! They are sold, at the Company's Sales, to the number of 800,000 or a million of handkerchiefs each year, at the rate of about four shillings each. They are immediately shipped off for Hamburgh, Antwerp, Rotterdam, Ostend, or Guernsey—and, from thence, they nearly all, illicitly, find their way back to this country.

Mark, then, the effect of this beautiful System—this system, so lauded by the learned member for Lincoln. These Bandanas, which had previously been sold, for exportation, at *four* shillings, are finally distributed, in retail, to the people of England, at the rate of about *eight* shillings each; and the result of their prohibition is to levy upon the consumer a tax, and to give to those who live by the evasion of your law a bounty, of *four* shillings upon each handkerchief sold in this country.

That nearly all the Bandanas sold for exportation are re-imported and used in this country, is a fact not denied, even by those who are now most clamorous for prohibition. In a printed Letter from a manufacturer of Macclesfield to the Marquis of Lansdown, I find the following anecdote: "It is the custom, in the parterres of the theatres in France, to secure the place, by tying a pocket handkerchief on the seat. I had the curiosity, at the Théâtre François, to notice the appearance of them; and, out of twenty-five, immediately around me, there was not one Silk handkerchief." I should have little doubt, if a similar custom prevailed in the pit of our theatre, that this accurate observer would find most of the seats decorated with handkerchiefs of prohibited Silk. Nay, Sir, if strangers were, at this moment, ordered to withdraw from the gallery, and every member were called upon (of course in secret committee) to produce his handkerchief, with the understanding, that those who had not prohibited handkerchiefs in their pockets were obliged to inform against those who had—I am inclined to believe, that the informers would be in a small majority. Upon every information laid under this prohibitory law, the chances are, that the informer and the constable have Bandanas round their necks, and that the magistrate, who hears the charge, has one in his pocket!

Upon the motion of this evening, then, we have to make our choice between a moderate protecting duty,

which can be collected, and is likely to be available; and the going back to the system of Prohibition, which I have shewn to be productive of such mischievous consequences.

But, since the repeal of the old Law, a further difficulty has occurred in respect to Prohibition. Two years ago, when a piece of Silk was seized as foreign, the British manufacturer could, upon inspecting it, at once say, "I know, and can prove, that this is not of the manufacture of this kingdom." If asked, "What is your proof?" he would reply, "The superior quality and workmanship of the article: it is quite impossible, that any thing equal to it should have been manufactured in England. It wants that stamp of slovenliness and indifference to improvement, which is the sure characteristic of all Silk goods made at home." This is a very natural answer for Monopoly to make; but, it comes with a bad grace from a British manufacturer.

But, it may be asked, if excellence of fabric was, at that time, the proof that the article was not British, why is it not so still? I shall give the best answer to this question, by stating what has recently occurred.

Soon after the alteration of our Law, an extensive French manufacturer removed from Lyons to this country. He brought with him his looms and his patterns. Under his management and superintendence, two Establishments were formed, one in Spital-Fields, the other at Manchester. At both of these places he set weavers to work; fully satisfied, that a duty of 30 per cent. would afford him sufficient protection. His improved methods—with sorrow I state it—excited the jealousy, and drew down upon him the persecution, of the English manufacturers. They charged this industrious foreigner, boldly, and rashly, and—as in the end it was proved—most unjustly, with carrying on his trade here, merely as a cloak to cover the smuggling of foreign manufactured goods. In their mortification at his success, they even went the

length of charging my honourable friend, the Secretary of the Treasury, and the whole Board of Customs, with being cognizant of the fact, and parties to this nefarious scheme for ruining the Silk trade of England. This accusation was not merely insinuated in whispers: it was contained in a published Report, inserted in the newspapers, and thus conveyed, from one end of the kingdom to the other.

This was not to be endured. The Treasury determined to sift the matter to the bottom. They knew that, neither at the Board of Treasury, nor at the Board of Customs, could any countenance or facility have been given to Smuggling; but, they thought it not impossible, that this French house might have been guilty of the irregularities imputed to them, and that these irregularities might have been connived at by some of the inferior officers. The accusers, therefore, were called upon to substantiate their charge, and were distinctly told, that the inquiry should be directed in whatever mode they might point out as most effectual. They said, the clearest proof would probably be found in the Books of the party accused, if they could be got at. The Books could not, certainly, be inspected without his consent. Did he hesitate on this point? So far from it, that his immediate reply was,—"You are welcome to inspect all the Books of our house; and, that there may be no suspicion of garbling or concealment, let an officer go with me *instanter*, and they shall all be brought here" (to the Treasury) "in a hackney coach."

This was accordingly done. His books were subjected to a rigid examination. Every transaction connected with his business was found regular—the names of the weavers employed by him, the work which they had in hand, and their places of residence, were all duly entered. Taking with them a plan of Spital-fields, and without the possibility of previous notice or concert, proper persons went round to the particular houses, which these books

had pointed out; and, in every instance, they found the names of the men at work, and the goods upon which they were working, to correspond with the entries in the books.

All this was most satisfactory to the Treasury, and the Customs. But, the accusers persevered in their charge. They insisted, that the whole was a concerted plot; and that many pieces of Silk in the warehouse of this foreigner, which he asserted that he had manufactured here, were, in truth, the productions of France.

The Treasury, in consequence, resolved to sift the matter still farther; and again, it was left to the accusers to point out the mode In order to prosecute the inquiry, they selected from their own body, the person whom they considered the most skilled in the knowledge requisite for the detection of such articles as might be contraband. And what, towards him, was the conduct of the party accused? "Go to my warehouse," said the Frenchman, "turn over all my goods; select from among them whatever pieces you please; and, on the proof of their being of English or of French manufacture, let my guilt or innocence be finally established."

The offer was accepted. The person employed by the British manufacturers turned, over and over, several hundred pieces of Silk; and at length, after the whole ordeal was passed, the Board of Customs made known the result, in an official Report which they transmitted to the Treasury. That Report I hold in my hand. What is the substance of it? Why, that thirty-seven pieces had been selected by this agent of the accusers, as being, beyond all doubt, of French manufacture. What followed? These thirty-seven pieces were seized, and the Frenchman was put upon his proof, that they were made in this country. How did he prove it? By producing, one after another, the very men, by whom every one of these thirty-seven pieces had been made; who proved, upon their oaths, in the most irrefragable manner, that

every inch of these goods had been woven by themselves —Where? Not at Lyons—not in France—but in Spital-fields and Manchester!

I have stated these facts with feelings, I own, bordering on disgust. I cannot but think it humiliating, if not discreditable, to my countrymen, that an unprotected Foreigner should have been maligned and persecuted, instead of receiving countenance and encouragement, for having transported his capital and skill to this country, and for being the first to set the example of great and successful improvement in our Silk manufacture.

But, how does this detail, into which I have entered, bear upon the present argument? It shews, in the clearest manner, that, if you continue to seize Silk goods, in private-houses, in shops, or upon individuals, you have now lost your former test, by which you could prove them to be of foreign origin. The most expert judge of such articles, it is now legally proved, cannot discriminate between the British and the foreign manufacture. Prohibition, therefore, has lost its only recommendation: it retains no advantage over a well-regulated duty.

But, appeals have been made to our compassion; and our feelings have been alarmed by the statement, that above 500,000 individuals are at present engaged in the Silk trade, and that ruin must inevitably be entailed on this large and meritorious class of the community, if the old law be not restored.

Now, supposing the number of persons employed in the Silk manufactury to amount to 500,000,—their wages, I assume, cannot be less, one with another, than 10*s.* a week for each person. I have been told, indeed, that a considerable portion of this number are children, some of whom do not receive more than 1*s.* 6*d.* a week; and, for this pittance, the hours of work in the mills, when the trade was brisk, I have been assured, were, from five in the morning, till eight or nine at night.

If this be so, let us not talk of the difference in the expence of labour, between this country and France. Will it be said, that a French child cannot earn in the Silk manufactury, one shilling and sixpence a week; and that, without working from fourteen to fifteen hours out of the four-and-twenty? Certainly not. Supposing, however, the average earnings of these 500,000 persons—(an exaggerated number, I am convinced)—to be ten shillings a-week, thirteen millions of money would then be the annual amount of wages alone in this manufacture. To this are to be added, the interest on capital, and the price of the raw material: so that, the value of the goods sold could not be less than eighteen or twenty millions sterling. This, however, I consider too high a calculation. The Lords' Report estimates the whole amount at only ten millions; but, allowing for increased consumption since 1821, it may, perhaps, be fairly rated at twelve or fourteen millions, exclusive of the quantity smuggled in from the continent.

If, then, fourteen millions of Silk goods are about the annual consumption of this kingdom, what would happen, if, according to the predictions of the honourable member for Taunton, the British manufacture should be annihilated after next July? We should not, I take it for granted, consume a less quantity of Silk goods: the only change would be, that we should have them, as it is alleged, of a better quality, and at a less price. But, all the goods so consumed would, in this supposition, have paid a duty of thirty per cent. on their importation; and the produce of that duty, consequently, would exceed four millions sterling. This large sum would be levied, without, in the smallest degree, abridging the comfort or enjoyment of any other class of the community. It would bring with it no increase of burthen upon the consumer of Silk goods, and consequently no diminution of his means of consuming other

articles. It would simply be the premium of monopoly transferred to the Exchequer; and the capital, for which this monopoly was created, would be set free, to give employment to other branches of industry.

Such, certainly, would be the ultimate result, if the speculative fears of the Silk Trade should be realized. But, of such an issue, I am persuaded, there is no risk. The whole consumption of Silk goods in France is not equal to the consumption in England. Now, supposing, when the Bill comes into operation, there should be a greatly increased demand in this country for French Silks—this new and additional demand would produce a corresponding advance in the price of the goods, and in the wages of labour, in France. To a certain extent, there may be such a demand, especially at the first opening of the Trade; but, I am convinced that, with the attention to economy which competition excites, with our improved machinery, our industry and ingenuity, and perhaps with the lowered prices of labour and the means of subsistence—a protecting duty of thirty per cent. will be found to be sufficient.

The House is called upon, by the motion of the honourable member for Coventry, "to inquire." Has it never inquired before? Has the House of Lords entered into no investigation of the subject? And, did not that investigation take place at a period, when taxation and prices were very considerably higher than at present? The country, too, at that time, was labouring under much distress; and the Silk manufacture was suffering its full share of the existing difficulties. Was that inquiry loosely conducted? Certainly not. A noble Marquis* presided over the labours of the Committee, alike distinguished for talent, for diligence, and for the soundness of his views, on all subjects connected with the Commercial Policy of the country. It was the opinion of that

* The Marquis of Lansdown.

Committee, after taking a mass of evidence on oath, that a Duty of fifteen per cent. would be an adequate protection, instead of a duty of double that amount, under which the experiment is now to be made.

I have stated, too much at length, I fear, the grounds on which it appears to me, that this House ought not to entertain the present motion. This statement, I feel, must have appeared unnecessary, to those who think with me on the subject of our Commercial Policy; and I dare not hope, that it has made much impression on those who are the declared advocates of the restrictive system:—those who belong to the same school of political economy as the honourable Baronet, the member for Staffordshire. In his enmity to all improvement, he told us, the other evening, that the ministers of the present day were only fit to form a Council for the Island of Laputa. Since this intimation of the honourable Baronet's wish to see us banished to that island, I have turned in my own mind, what recommendation I could take with me to that land of philosophers. Not a Letter from the honourable Baronet, I can assure him; for he has given us to understand, that in mind, at least, he belongs to the Brobdignagian age of this country. But, I think I have hit upon that which would infallibly make my fortune at Laputa;—I will tell the honourable Baronet what it is.

At the time of the great Bullion controversy in 1810-1811, the main question in dispute turned upon, what was the real Standard of our money. We wild Theorists said, as our simple forefathers had always said before us, that the standard was, and could be, nothing else than the weight and fineness of the gold or silver in the coin of the realm, according to the commands of the Sovereign, specified in the indentures of the Mint. Had this definition been admitted by the practical men, there would at once have been an end of the contested point—whether our then Currency was or was not depreciated? But,

for that very reason, this definition was denied, by all who maintained the negative of that question. More than a hundred pamphlets were published on that side, containing as many different definitions of the standard. Fifteen of these definitions, most in vogue at the time, I have since retained, as a curiosity to laugh at: but, they may now, perhaps, be turned to a more valuable purpose. Of that number I only recollect three at this moment. The first defined the standard to be, "the abstract pound sterling." This had great success, till another practical writer proved, that the standard was the "ideal unit." These two practical standards were, however, finally superseded by a third, of which the definition was, "a sense of value in currency (paper), in reference to commodities." This last standard was at once so perfectly tangible, and clearly intelligible, that I consider it as the parent of the famous Resolution of this House, by which the question was to be finally set at rest.

Now, if I should take with me to Laputa, this little, but invaluable, collection of Definitions, I have not the slightest doubt, that my pretensions to have the whole monetary system of that island placed under my direction—to be Master of the Mint,—Governor of the Bank—and Superintendent of all the Country Banks—would be immediately and generally admitted. It is true, we have had no authentic account of the progress of political science, in that celebrated island, for about a century past; but, it is scarcely to be imagined, that it can have been so rapid, as to enable their greatest philosophers to challenge the pre-eminence of these Definitions, on the score of abstraction, metaphysics, and absurdity: and, at any rate, if the philosophers should cabal against me, the practical men could not fail to be on my side.

I am not aware, Sir, that I have omitted to notice any of the objections, which have been urged against the important changes, lately made by Parliament in our Commercial

System. That these changes are extensive, as well as important, I readily admit. Whether they will work ultimately, for good, or for evil, it becomes not fallible man to pronounce an over peremptory opinion. That the expectation of those who proposed them, was, that they would work for good, no man will do us the injustice to deny. That, up to this hour, I am fortified in that expectation, by the deductions of reason in my own mind, by the authority of all who are most competent to form a dispassionate opinion upon the subject, by the beneficial result of every thing which has hitherto been done, for giving greater freedom to Commerce in this country, and by the experience of the opposite effect which vexatious and unnecessary restraints are daily producing in other countries—is what I can most solemnly affirm.

I make this declaration, I can assure you, Sir, in all sincerity of heart, and, as far as I know myself, without any mixture of false pride, or any mistaken feeling of obstinate adherence to consistency. I am the more anxious to make this declaration, in the face of the House, and of the world, because, of late, I have been assailed, and distressed, I will own, by ungenerous appeals to my feelings, calling upon me to commune with my conscience and my God, and to say, whether I am under no visitations of compunction and remorse, at having thrown so many persons out of bread, in the trial of a rash experiment, and in the pursuit of a hollow theory. Good God! Sir, that man must have a heart of stone, who can witness without sympathy and the greatest pain, the distress, which now, unfortunately, exists in most of our other great manufactures, as well as in that of Silk. But, whilst I hope that I am not wanting in the duties and feelings of a man—I have also a duty to perform as a Minister. If immediate relief be, in a great degree, out of our power, it the more becomes us, as the guardians of all that is most valuable in civilized society, to trace the

Causes of the present calamities, and to prevent, if possible, their recurrence. It is on this principle, that I am anxious to put an end to a System of Currency, which leads to ruinous fluctuations in trade, and in the price of all commodities; which, whether in excitement or depression, is alike undermining the sober habits, and the moral feelings, of the community; which confounds honest industry with unprincipled gambling; which injures the poor man in the earnings of his labour, and takes from the rich man all security in his property—a System, which creates delusive hopes, only to terminate in aggravated disappointments—of which, every succeeding convulsion must add to our inability to bear it—and of which the inevitable tendency is, to drive capital and industry to other countries; not in Europe only, but even across the Atlantic. The growing dread of instability here, the growing assurance of increased stability in those countries, would ultimately produce this transfer; and, with it, the further transfer of the rank and power, which England has hitherto maintained among the nations of the world.

If I have ventured to intrude upon the House by any allusion to my personal feelings, they will, I trust, make some allowance for the provocation which I have received. This is the only place in which I can properly reply to the unmanly appeals which have been made to me through other channels. Such appeals, however painful to receive, have no influence on my conduct; neither can they detract from the sanguine hope which I entertain of better prospects and increased happiness for my country. I hailed with great delight, the other evening, the assurance of the right honourable member for Knaresborough,* that he saw nothing in our present difficulties to create despondency or alarm. In this sentiment I most entirely concur. The existing

* Mr. Tierney.

pressure may, for a short time, bear heavily upon the springs of our prosperity; but, if we pursue a temperate course, there is nothing to fear, and every thing to hope, for our future progress. With confidence I cling to that cheering hope; and, without looking forward to a long life, I trust that I shall witness its realization.

Whether in a public station, or in retirement, my greatest happiness will be, to feel assured, that the power and resources of this country have been increased, by those measures of Commercial Policy, which it has fallen to my lot to submit to Parliament.

That such will be their ultimate result is my firm and conscientious conviction; and, in that conviction, I claim for those measures the continued support of this House.

THE END.

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